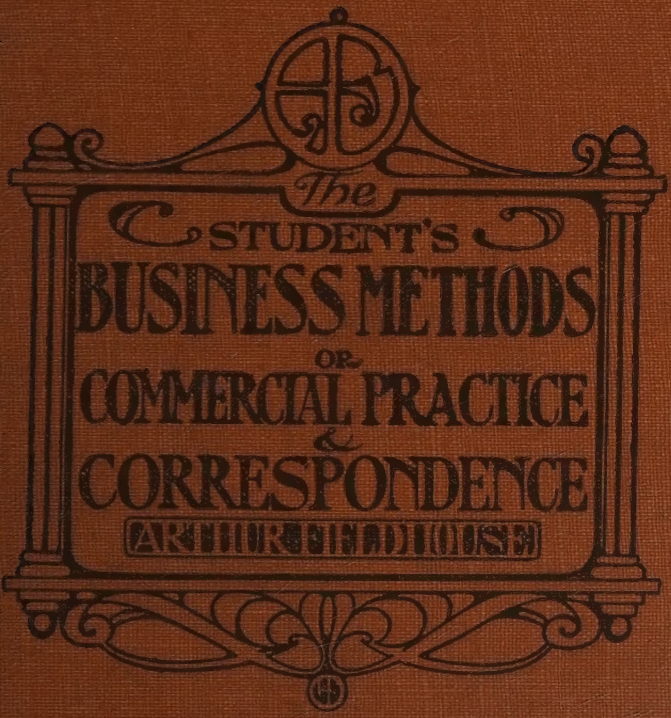
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BY

ARTHUR FIELDHOUSE,

FELLOW of the ROYAL SOCIETY of ARTS,

ACCOUNTANT AND AUDITOR,

AUTHOR OF

"The Student's Phonographic Shorthand Exercises";
"The Student's Complete Commercial Book-keeping";
"The Student's Elementary Commercial Book-keeping";
"Income Tax Simplified."

NINTH EDITION.

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Sa	4	11	18	25	..		Sa	2	9	16	23	30	..	Sa	6	13	20	27	..		Sa	4	11	18	25	..	

PREFACE TO THE NINTH EDITION.

No apology need be offered for the production of a new edition of a book of which eight editions have been exhausted in nine years, and of which a thousand copies have been sold before its issue from the press. The increasing demand for this book proves that a **practical, up-to-date** and **graduated** work on the subject was needed. It is true that there are several books on the subject, but none of them cover the ground in a satisfactory manner. On the one hand, they have either been prepared by business men, who know little or nothing of the requirements of the class-room; or, on the other hand, by teachers, who have had no experience in the world of business. It is evident that one who started life as a Junior Clerk, passing through every step to that of a Managing Clerk (his clerical experience covering manufacturing, merchanting, accounting, shipping, financing, mining, publishing, insurance, legal and notarial work), must, in conjunction with his extensive teaching experience, be better qualified than either the business man or the teacher to perform the dual task attempted in this volume, viz., to furnish information to the beginner relative to the procedure of the **modern office**, in such a manner as to be readily acquired. The results attending the use of this manual can alone justify the claim made on its behalf. I would, however, point out that the methods of instruction here advocated are no mere experiment, for the entire scheme and methods of the book have been thoroughly tested in the class-room with considerable success.

This textbook forms a complete **GUIDE** to the **ELEMENTARY, INTERMEDIATE** and **ADVANCED EXAMINATIONS** of the Royal Society of Arts, the West Riding County Council, the Lancashire and Cheshire Union of Institutes, the National Union of Teachers, and the Union of Educational Institutions.

While I shall be only too pleased to consider suggestions for the improvement of any subsequent edition, I would remind my professional brethren of the limited scope of this treatise, which is not intended for the *Managing* Clerk, Cashier, or Bookkeeper, to whom the contents of the following pages have become familiar through long practice. The empire of commerce is so extensive that no book could cover its operations, much less one designed merely to introduce the junior business man to his new sphere of activity.

ARTHUR FIELDHOUSE,

66 West Parade, Huddersfield.

January, 1919.

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INTRODUCTION.

As a matter of Scholastic instruction the subject of Commercial Practice or Office Work is of recent origin, having only been introduced into schools during the past fifteen years. There are those who still cling to the old fashioned idea that it is a comparative waste of time and energy to instruct youths in Business Methods, believing that commercial aspirants should be left, as in former times, to "pick up" the technical information necessary for their occupation, after entering the office. Before a doctor becomes entitled to earn a fee by the exercise of his skill, he is required to spend many years in the study of several ologies; while a lawyer, ere he is privileged to make his first charge of six-and-eightpence, must have gone through a long course of study in the principles and practice of civil and criminal law. Surely Commerce, by which so large a section of the community obtains an honourable livelihood, is of no less importance than either of these. And if this nation is to maintain its supremacy in the trade of the world, its sons will have to be more diligent, not only in the pursuit of commercial knowledge, but also in the adoption of improved methods of transacting business and organising the work of the office. In the establishment of large and efficient Commercial Colleges, France, Germany, Belgium, and the United States, have all shown great foresight and enterprise. It should be remembered that the office is a place in which one is expected to *use* knowledge, not to seek it. A senior clerk does not care to be constantly inconvenienced by being called from important duties to teach a junior, when the latter might have obtained efficient instruction on most matters, before crossing the threshold of the counting-house. In business, particularly, time is money, and those engaged therein cannot afford to waste their precious moments teaching novices.

Often has it been pointed out that many a merchant has flourished despite the fact that he never received a scholastic lesson in the conduct of business. But it would be as illogical to adduce such an instance in favour of the neglect of scholastic training, as to suggest that the engineer should not study mechanics, steam, or electricity, except amid the distractions of the workshop. Times have changed, and will continue to change; the old apprenticeship system has been largely supplanted by improved educational methods, and in future the trained man will hold a great advantage over his untrained competitor. A course of instruction in Business Methods is, therefore, of first importance, and undoubtedly proves of immense practical advantage to the beginner, enabling him to do his work intelligently from the very first, instead of blundering at every turn, much to the annoyance of himself as well as those about him.

SUGGESTIONS FOR TEACHERS.

At the **first meeting** of the class it is desirable to supply each student with a sheet of ruled foolscap for taking down a piece of **dictation,** each one adding his name, address, occupation, age, whether he has a textbook, and what other evening classes he is proposing to attend. An examination of these papers will supply much valuable information as to the composition of the class, as well as reveal defects in handwriting, spelling, style, &c. The results of subsequent examinations may also be compared with these papers, which may be used as a basis upon which to gauge the progress of the class.

It is advisable to supply each student with a small sheet of paper, upon which he should be required to write the full title and price of the **textbook** to be used, with instructions as to where it may be obtained. Insist upon the use of the same textbook throughout the class, on no account permitting students the exercise of personal preference in such a matter. No attention should be paid to the excuse raised by rare students as to inability to buy the necessary books, the cost of which is so trifling when compared with the benefits to be derived. The long experience of the author has convinced him that no *earnest* and *serious* student ever raises this difficulty, which only exists with those who prefer to waste their money on selfish gratification and personal indulgence.

On account of the inferior **Penmanship** exhibited in most elementary classes, each student should procure a Copy-book, containing lithographed specimens of Commercial Forms, two or three of which should be neatly copied, *at home,* each week. This practice is not only helpful in improving the writing and inculcating neatness, but also in familiarising the student with business methods. While there are more elaborate books on the market, the Civil Service Copy-Book No. 12, of Vere Foster's Medium Series, published by Blackie & Son, at 2d. each, will be found to answer this purpose.

With the view of making the **instruction** as **practical** as possible, specimens of real commercial documents should be shown to the class, whenever they are being discussed; while during the course of the session all the common business forms should be so often used by the students as to render them quite familiar. The numerous illustrations given in the textbook should be carefully copied by each student before commencing to answer questions on any given chapter. The use of **commercial documents** is gradually introduced through the medium of the Test Papers, some of which consist almost entirely of sets or *Series of Transactions.* For the past fifteen years the author has found these particularly helpful in emphasizing the practical

aspect of the subject as well as in deepening the interest of the students in their work. When complete, each Series should be fastened together at the top left-hand corner, either by means of a paper fastener or a stapling machine, thus affording ease of reference when working other sets.

The **syllabuses** of the various examining bodies vary considerably, but the course of instruction here provided covers the whole of their requirements in the elementary stage. Where it is necessary to do so, teachers will find no difficulty in making a choice of the matter to be dealt with. Even a portion of a subject may be dealt with, where it is considered that the author's presentation is too extensive for an elementary class; the remainder being reserved for the intermediate stage.

The author **never supplies pupils with pens,** believing that the constant changing of pen interferes with good work, besides wasting time in distribution and collection. The Education Committee should, however, supply the necessary **Commercial Forms,** without which practical efficiency is impossible. At very little cost a sufficient quantity may be obtained from most local printers to last several years. They should not be disfigured with advertisements of the enterprising firms who print them. The following, in addition to letter paper, are essential: (1) Order Forms, (2) Invoices, (3) Railway Consignment Notes, (4) Debit Notes, (5) Credit Notes, (6) Statements, (7) Cheques, (8) Bills of Exchange, (9) Banker's Paying-in-Slips, (10) Remittance Forms, (11) Acknowledgment Forms, (12) Receipts, (13) Index Sheets, ordinary and vowel. The author does *not* sell Commercial Forms.

If you would succeed in the Science and Art of Modern Book-keeping and Accountancy, study

THE STUDENT'S

COMPLETE COMMERCIAL

BOOK-KEEPING,

ACCOUNTING AND BANKING.

Twenty-fourth Edition.

This is the only comprehensive treatise on **Double Entry,** dealing with the subject from the standpoint of modern business requirements, arranged and graded in such a manner as to be readily mastered by the student. It is the only **Complete** and **up-to-date Guide** to the **Examinations.**

Adopted by the **War Office** and the **L.C.C.**

INSTRUCTIONS TO STUDENTS.

1. You will be required to **provide yourself** with such books as the teacher may direct. Do not trouble your teacher by taking to the class some book which your father used when a boy; it is not likely to be of any use. Remember that in a class every student *must* have a similar textbook, and be subject to the same methods of instruction; prolonged individual tuition being impossible.

2. Never fail to **bring** with you **to the class** your textbook, note book, pens, and blotting paper. Broad-pointed pen nibs should never be used.

3. Let your **writing** and **figuring** be such as will give a neat appearance to your work. Letters and documents scrawled in a slovenly fashion are a discredit to the writer and an eyesore to his master. Let **Legibility** and **Neatness** be your motto.

4. Never insert **noughts** in the money columns of an invoice, statement, &c., when unnecessary to the number, as they are liable to lead to confusion when totalling. A dot or dash is preferable.

5. Rule thinly, in **red ink,** all horizontal lines above and beneath totals, etc., of invoices, statements, debit and credit notes.

6. Always place the indication of a **£** by the side of each **total,** thus, **£**569 10 9; and never join figures.

7. Never insert **totals** in ink until you have checked their correctness.

8. Regular attendance is of great importance. An evening student should make a point of being present at every meeting of the class, otherwise he finds himself seriously handicapped, as it is impracticable for his teacher to depart from the syllabus and repeat a lesson—it would be an injustice to those who attend regularly to do so. The progress of the class as a whole is, and must be, considered before that of a few stragglers who often blame their teacher for the result of their own irregularities. **Continuity** of work is essential to progress.

9. Endeavour to be in your class five minutes before the appointed time. The **unpunctuality** of a few frequently wastes the time of many students.

10. If you are desirous of being a credit to yourself and a source of satisfaction to your teacher, do not fail to complete, most carefully, the whole of your **home work.** Without **work,** progress is impossible. Do not wait until the arrival of the next class day before you commence to hurry through your exercises, but begin immediately you reach home on leaving the class. **Do a portion each day.** Do not wait until you have a complete hour at liberty before you start. Procrastination is the thief of time, therefore utilise the five minutes you have before breakfast, the ten minutes after dinner, the fifteen minutes at tea time, etc., and you will be surprised at the result. In this manner the busiest youth can devote from thirty to sixty minutes of each day to his studies.

11. If the instructions with reference to the writing of letters, the answering of questions, and the preparation of documents are not complied with, the teacher may not only refuse to correct your work, but may require it to be re-written. Pencil-work will on no account be permitted, therefore use **ink always.**

BUSINESS QUALIFICATIONS.

"*Seest thou a man diligent in his business? He shall stand before kings.*"

Presuming **integrity** of character and **health** of body, without which all else is but dross, it is universally conceded that well-directed **energy,** in other words, judicious and persistent **action,** is the most important factor in success. The principal difference between one average man and another is not in ability, capacity, natural endowments, but in energy, persistence, tenacity of purpose, doggedness, the degree of perseverance, the devotion to duty. The young man who refuses to utilise his time and opportunities for the study of a given subject because there is little probability of immediate pecuniary return for his industry, is indeed shortsighted, and it is usually this type of individual who grumbles at the promotion of a fellow-worker, whose advancement is, in all likelihood, due to the fact that he had used his time and opportunities well, while his envious friend had comparatively wasted himself in pleasure and gaiety. When asked what had been the secret of his success, the late Mr. Turner, General Manager of the Midland Railway Co., replied that, *first,* he had always tried to do his **duty,** *secondly,* that he took every opportunity of improving the methods of doing his work, thereby making himself, as far as possible, **indispensable** to his employers. This twofold character of Mr. Turner's reply should be specially noticed, as it puts the whole matter in a nutshell. He was not content to do his duty *merely,* but was also ready to *exceed* it. He was not satisfied to perform his task exactly like his duteous predecessor, but must needs go one better than that of slavishly imitating established methods. His energy did not exhaust itself in the mere execution of duty, but was ever on the alert for suggesting and adopting better methods. Had Mr. Turner been content to do his duty *only,* he would never have reached the top of the ladder, which is only attainable by those whose ambition impels them to do *more* than their position absolutely demands of them; whose ideals of excellence urge them forward in the battle of progress. Laudable as such ambition may be it must nevertheless be pointed out that every *duty*, however menial and trifling, must *first* be discharged in a businesslike manner. The man who does not conscientiously attend to the small duties will never have the opportunity to discharge greater ones. **Duty** is the foundation of success in every occupation. It is self-evident that those who are in such a hurry to "get on" that they must needs neglect the monotonous and sometimes unpleasant *duties* of their position, in order to attempt "higher" work, are building on sand; for improvement and "higher" work is only possible when the "lower" work has been faithfully done. The superstructure of "higher" work will only stand the test of time when built upon the rock of duty.

Accuracy and **Reliability** must characterise one's work if confidence is to be gained and promotion secured. A person who is habitually unreliable and inaccurate cannot be trusted; his work

has to be gone over again, and he thus causes an infinity of annoyance, vexation and trouble. Accuracy is the result of **concentration** and **thoroughness,** but these qualities can only exist where there is a keen **interest** in one's work. Mistakes are chiefly the product of a careless worker whose mind and attention is upon objects other than those immediately under his care. It is an excellent habit to **examine one's work** before disposing of it. "The junior who posted a letter without stamping it ought to have looked at it a second time. The typist who submitted a letter to her principal for signature might have seen that it was addressed to the wrong firm had she read it through after taking it from the machine. The invoice clerk might have noticed that he had not charged for packing had he turned to the specification in the order book. The dispatch clerk would not have addressed the parcel wrongly, nor the packer sent the wrong goods, nor the salesman quoted his customer below cost price, if they had each trained themselves to be **precise** and **thorough** in their work."

Nearly all great men have disclaimed the possession of genius and with almost unanimous voice declared their accomplishments to be due to **industry.** Buffon spoke of genius as that "sovereign capacity for patience." Neither the business man nor the student must be daunted by difficulties, but conquer them by patience and perseverance. In all cases strenuous individual application is the price paid for distinction, excellence of any sort being invariably placed beyond the reach of indolence. In no pursuit is excellence achieved without laborious application. Observe, however, that industry and **energy,** in order to be fruitful, must be rightly directed. Misdirected energy is not merely wasted, but is sometimes positively destructive and harmful. Some men are for ever racing their work, but never overtake it. A **diligent** man can always find leisure, a fussy or lazy man never. Now, it is quite clear that only *methodical energy* is of permanent value.

Method is the secret of dispatch. Nothing conduces more to the establishment and maintenance of a successful business than an excellent system, without which dispatch is impossible. If the machinery of the office is to be so efficient as to run smoothly; if there is to be a maximum of energy with a minimum of effort; if every operation is to be carried out expeditiously, with an absence of the hurry-scurry, topsy-turvy manners so common in many offices; there must be a clerical engineer, who, thoroughly understanding the *science* and *art* of modern Commercial Practice, can adjust its mechanism to meet all its varying necessities. **Order** and regularity not only double one's capacity for dispatching work, but make it a positive source of enjoyment. Whoever has transacted business with gentlemen whose methods are precise and whose papers and office are a pattern of order and arrangement knows the pleasure it affords them; particularly when contrasted with the delay and irritation consequent upon visiting one whose desk, tables, shelves, floor, are littered with books, papers, letters, the chaos of which is almost sufficient to drive one from the office. To watch a so-called business man turn from table to shelf, from desk to cupboard, from drawer to floor, from pile to pile, vainly searching for

a document, is indeed pitiful. From morn till night he is fussing, hurrying, scampering, grumbling, expending twice as much energy in doing half as much work as the methodical man; a splendid example of misdirected energy. In no office worthy of the name should it ever be necessary to *seek* anything.

Dispatch is the soul of business. It is of prime importance to acquire the habit of disposing of business as it arises from day to day, to expedite it in such a manner as to prevent any arrears or the least accumulation. Every day brings its duties, therefore see to the prompt execution of every order, the answering of every letter, and the immediate discharge of every duty in a business-like fashion. Do not even postpone the dispatch of a parcel or the posting of a letter to the afternoon, when it can be equally well attended to in the morning. The reason most men do not accomplish more is because they do not attempt more; they are lacking in dispatch; they are for ever going to begin their task to-morrow, failing to realise the necessity of starting **to-day! now!** Thinking is necessary, but the distinguishing feature of the world of business is *action*.

Method implies **Punctuality**, which is the *necessity* of business men. An appointment is a contract, and he who does not keep it breaks faith as well as dishonestly uses other people's time, and thus inevitably loses character. Nothing begets confidence in a man sooner than the practice of punctuality and nothing shakes confidence sooner than the want of it. He who holds to his appointment shows that he has a regard for your time as well as his own.

QUARTER DAYS.

England & Ireland.	Scotland.
Lady Day .....25th March.	Candlemas ..... 2nd February.
Midsummer .....24th June.	Whitsunday ..... 15th May.
Michaelmas ... 29th September.	Lammas ..... 1st August.
Christmas .....25th December.	Martinmas ... 11th November.

NUMERATION.

Numeration is the art of writing or reading numbers. The figures 1, 2, 3, 4, 5, 6, 7, 8, 9, are Arabic, and are used in the formation of all our numbers—with the assistance of the cipher.

Units	1
Tens	21
Hundreds	321
Thousands	4,321
Tens of thousands	54,321
Hundreds of thousands	654,321
Millions	7,654,321
Tens of millions	87,654,321
Hundreds of millions	987,654,321
Thousands of millions	1,000,000,000
Ten thousands of millions	10,000,000,000
Hundred thousands of millions	100,000,000,000
Billions (a million millions)	1,000,000,000,000

QUALIFICATIONS OF THE JUNIOR CLERK.

> YOUTH wanted, about 15, for Merchant's Office, must be intelligent and good writer.—Address N 30 *Manchester Guardian.*

While it is to the advantage of a youth that he should remain at school until he is 17 or 18 years of age, with the view of obtaining the best **scholastic training** possible, it is nevertheless the fact that the great majority find it necessary to start earning their living at the age of 14 or 15. The question therefore arises as to what may reasonably be expected of such a youth just leaving an elementary or higher elementary school with the intention of entering an office. The above typical advertisement may be regarded as indicating the qualifications of a beginner.

To be **intelligent** means to be possessed of an active understanding, of a quickness or sharpness of intellect, capable of adapting oneself to circumstances, and of carrying out orders without requiring to be watched or overlooked on every occasion. The youth who needs telling more than once *what* to do, and more than twice or thrice *how* to do a piece of work cannot be regarded as intelligent; while he whose instructions never need to be repeated may consider himself as fulfilling the first and most important qualification of intelligence. The very **sharp youth,** whose mental powers have not been dulled and stupefied by tobacco, does not require to be constantly instructed, but keeping both his ears and eyes wide open, learns, by *observation,* the manner of doing many things, and thus makes himself so valuable to his employers that **promotion** is almost sure to result in the near future.

In scholastic attainments all that the employer, in the first instance, asks is efficiency in the **three R's,** that is, good Reading, legible Writing, accurate Figuring; and where these are associated with intelligence there is no difficulty in rearing a capable clerk. Valuable as the knowledge of "higher" subjects may be, the employer, nevertheless, prefers in his junior, Spelling to Science, Penmanship to Political Economy, Fractions to French, Commercial Practice to Commercial History, and Bookkeeping to Botany. **Are you a good writer?** is the first question put by almost every business man. More youths are rejected for illegible writing and incorrect spelling than from all other causes put together. The cultivation of a neat style of writing is worth all the trouble involved; it has been the means of opening up a successful career to many a junior. No intelligent youth will presume, because so much emphasis is laid upon the necessity of mastering English, Writing, and Arithmetic, that he must neglect other studies. On the contrary, a **mastery** of these **three instruments** of **education** is insisted upon so that the

learning of other subjects may become all the easier. A wise student will so thoroughly polish his three educational instruments that they may render him all the greater service in his more advanced tasks. Immediately upon leaving the day school every youth should apply for admission into an evening school, so that there shall not be any break in the **continuity** of his scholastic training.

The **subjects** to be undertaken will vary to some extent according to the character of the profession or trade in which one is engaged. Speaking generally, however, the following is the order of utility or relative importance :—(1) Business Methods and Commercial Arithmetic. (2) Shorthand and Typewriting. (3) Book-keeping and Accountancy. (4) French, German, Spanish, or other languages, if engaged in foreign trade. (5) Banking and Currency. (6) Commercial Law. (7) Commercial Geography and History. (8) Economics. Care must be taken *not* to attempt too many subjects in any one session. It is better to master two or three subjects thoroughly than to dawdle with half-a-dozen.

Some complain of the want of **opportunity**, but this comes to every man. "Opportunity has hair in front, behind she is bald; if you seize her by the forelock, you may hold her, but, if suffered to escape, not Jupiter himself can catch her again." Many an opportunity has been lost for the want of **training.** What is the good of desiring to fill a vacancy if you have not qualified yourself to do the work. Show the capacity, train yourself for the post, exercise a little patience, and the opening is *sure* to arise.

A commercial life is one of intense **activity**; consequently there is no prospect for the sleepy youth, who finds a difficulty in pulling one leg after the other. He must ever be on the alert, observing the various methods adopted in business matters, and storing up for himself a mass of useful information and practice. The junior should always be polite, respectful and obedient in his attitude towards his superiors, strictly honest in all his dealings, thorough and methodical in his work, punctual in all his appointments, and should at least be possessed of one ambition, and that—to **excel** all others in the **quality** of his **work.**

A quality of high value is **reliability,** trustworthiness, dependence. When a youth can always be depended upon to carefully, continually and punctually discharge all his duties, however small, and regardless of whether he is getting paid for all of them or not, he is certain of advancement. The source of reliability is in having a **deep interest** and a mastering desire to excel in one's work. Industry and excellence never go begging.

In the first instance an **application** for a **situation** is generally required to be made in writing. When replying to an advertisement use clean notepaper and envelope, and affix the stamp the proper way up in the top right-hand corner of the envelope, which should be most carefully addressed, if it is desired that the letter should ever be opened. Do not fail to answer every part of the advertisement, observing due respectfulness and

modesty in the language used. In the first application it is advisable to give the names of your Head Master and Minister as reference, but in later years both these must be dispensed with, as business men do not care for them, preferring a reference to, or testimonial from, the firm you have been serving. Neatly written or typed *copies* of testimonials (if any) should be enclosed in subsequent letters of application. Below is given a suitable reply to the advertisement at the head of this chapter. The arrangement of the application should generally observe the following order :—(1) Applicant's address and the date. (2) Addressee's name and address. (3) Salutation. (4) In the first paragraph refer to advertisement and offer services. (5) In the second paragraph state age and enumerate qualifications. (6) In the third paragraph name references or enclose *copy* testimonials. (7) In the fourth paragraph request an interview. (8) Subscription. (9) Signature.

Upon receipt of a letter requesting an **interview**, reply, if necessary, fixing a time. Keep the appointment with promptness, and be careful to observe a polite, respectful and modest demeanour, answering all questions truthfully, and with decision. While neatness of dress is essential, remember that the cleanliness of your collar and cuffs is of greater importance than their area, and that your mental accomplishments should be more in evidence than your jewellery. Have in readiness your original testimonials, but in taking them from your pocket do not display your tobacco pouch or cigarette case, unless you wish to make sure of *not* receiving the appointment.

15 Perseverance Street,
MANCHESTER,
1st January, 1917.

N 30,
"Manchester Guardian" Office,
MANCHESTER.

Sir,

In response to your advertisement, I beg to offer myself as a candidate for the vacancy in your office.

I am fifteen years of age, and am just leaving the Higher Elementary School, to the Head Master of which I have the honour to refer you.

My course of instruction has included Commercial Arithmetic, elementary Book-keeping, Commercial Practice, Typewriting and French, in all of which subjects I have obtained a good position in the examination lists. I can write Shorthand at the rate of 70 words per minute.

I should not only esteem the favour of an interview, but should be willing to spend a week in your office so that you might have an opportunity of testing my fitness for the position.

Trusting that the style of my writing and the character of my application may be such as to cause you to give me a trial.

I am, Sir,
Yours respectfully,
GEORGE WASHINGTON.

BOOK-KEEPER.—Male, about 21; must be well experienced and thoroughly trustworthy, highest references required.—Address, N 57, at the printers.

150 Bradford Road,
HUDDERSFIELD,
3rd January, 1917.

N 57,
"Examiner" Office,
HUDDERSFIELD.

Gentlemen,

Replying to your advertisement for a Book-keeper, I beg to offer myself as a candidate for the position.

I am 21 years of age, and am at present in the employ of Messrs. Brown & Robinson, of this town, with whom I commenced as a Junior Clerk upon leaving the local Grammar School, six years ago. For the past two years I have acted as Assistant Book-keeper, and am thoroughly conversant with all the books used in the business. I have continued my studies in commercial subjects, particularly Double Entry Book-keeping, for which I hold the First Class Certificates of the Royal Society of Arts and the London Chamber of Commerce. I may mention that I am also an expert Shorthand writer and Typist.

The only reason for making this application is my desire for personal advancement, there being little likelihood of promotion at Messrs. Brown & Robinson's for some time to come.

It affords me pleasure to be able to refer you to my present employers, who will be glad to answer any enquiries concerning me. I should have no difficulty in giving you further references if desired.

Hoping to be favoured with an appointment for an interview.

I am,
Yours respectfully,
EDWIN WEBBER.

REMINDERS
FOR THE JUNIOR CLERK.

1. Reach the office every morning at least fifteen minutes *before* the official time.

2. Put everything in its proper place before the principal and office staff arrive.

3. Place the letter bag or its contents on the principal's desk *immediately* on arrival.

4. Change the movable calendars *first thing* every morning.

5. Leave the office desks tidy every evening, so as not to cause any inconvenience to the cleaners.

6. Make a note on paper of anything *special* requiring attention.

7. Don't allow the fires to go out for want of regular attention.

8. Keep the inkwells clean and amply supplied with ink, where this is not one of the duties of the caretaker.

9. Never splash ink on the floor or furniture, but jerk any excess into the inkwell.

10. Do not write on the desks, and should they get smeared with ink remove it instantly with blotting paper.

11. Index the Letter Book, and cross-reference the letters, with great care, as early as possible *every* morning.

12. Correct the Address Book or Cards *each* day. The addition of the names and addresses of new customers or creditors, as well as all alterations, should be made without delay.

13. In addressing letters to London, always conclude the address with the initials and number denoting the Postal District, thus: *London, E.C. 4.*

14. In addressing letters to foreign countries always add either the name of the country, or the customary initials denoting the name, as *New York, U.S.A.*; *Wellington, N.Z.*; *Nantes, France*; *Halifax, Nova Scotia.*

15. Don't write the address on the *upper half* of envelopes, as it is liable to be obliterated by the stamp cancelling machines used in the post offices of the large cities.

16. Weigh every postal packet about which there is the least doubt as to the cost of postage.

17. Affix all postage stamps (except late fee stamps) at the top right-hand corner of the envelope, so as to facilitate their cancellation by the postal authorities.

18. Check each bundle of letters with the entries in the Postage Book, so as to avoid dispatching any that are unstamped.

19. Be careful to insert in the envelope, along with each letter, all the enclosures belonging thereto.

20. Close the flap of each envelope in such a way that it does not catch any of the contents in the fold, otherwise they may get cut when being opened with a knife.

21. Take care to obtain a receipt for anything sent by Parcel Post, either on a separate form, or in a book provided for the purpose.

22. Remember that all insured parcels for foreign countries, as well as all registered parcels to the British Isles, also insured railway parcels, must be well sealed with wax or lead.

23. When posting letters see that they drop into the box, and do not stick in the top of the shoot, so that the next comer may extract them.

24. Post all letters as early in the day as possible, thus avoiding their accumulation for the evening post.

25. File all receipts for Parcels and Registered Packets.

26. Record the number and dates of all Postal and Money Orders and Bank-notes on the copy letters referring thereto.

27. Balance the Postage Book each evening.

28. Do not talk to anyone outside the office about the business affairs of your employer.

29. Never pay the smallest sum to anyone on behalf of your employer, without his express instructions to do so.

30. Show a continual interest in your work, and leave mid-week cricket and football matches to take care of themselves.

31. If you would avoid making mistakes, concentrate your attention upon the work in hand, never allowing your thoughts to wander to other subjects.

32. Use everything in the office with strict regard to economy. Take care of brown paper and string; use damaged writing paper for notes; put nothing into the waste paper basket which may be utilised at all.

33. Never attempt to kill time, unless you wish to kill your own prospects. Spare moments should be devoted to increasing your efficiency, either in the particular business of your employer, or in learning some subjects likely to prove of advantage.

34. Continue your education by attending evening classes in some subjects likely to increase your efficiency and market value. Many employers encourage their juniors in this respect by offering an advance of salary on proof of regular attendance and satisfactory work.

PENMANSHIP.

"Good writing is the vehicle that carries other qualifications to market, and finds ready sale for them."

Good writing has opened up to youths more opportunities for employment and advancement than any other one attainment. It is an accomplishment needing no reference, as it speaks for itself. Excellence in penmanship is often an indication of a painstaking and thorough worker. No candidate for the examinations of the Civil Service, however scholarly, has any chance of success unless he is a very legible writer. The question as to what constitutes good handwriting may be answered in one word—**Legibility.** Any writing which may be read without hesitation is good, the severest test of legibility being to isolate *each* letter and see whether it can be deciphered without the assistance of the other letters in the word. Whenever the context is needed to assist in deciphering a word the writing may justly be described as bad. While legibility is absolutely essential, **neatness** is also desirable, and careful practice results in the third qualification of **quickness.** Writing showing these three qualities may be attained by observing the following simple instructions and *avoiding* the use of broad-pointed nibs.

The **writer** should sit square to the desk, the paper or book being placed parallel to the edge of the desk, and a little to the right. Sit as erect as possible, avoiding pressure either from the body or the arms. The left arm should *rest* parallel to the edge of the desk, and the muscle of the forearm, about six inches above the wrist, should *rest* lightly on the desk, the elbow being pushed out.

The **penholder** must be held lightly but firmly between the thumb and first two fingers, letting it pass up a little above the principal knuckle of the forefinger. The end of the first finger should be about an inch and a quarter from the points of the nib, which should be square to the paper, so that both divisions of the nib may press evenly on the surface. Place the second finger at the side of the holder, or let it drop to the root of the nail. The thumb should be only slightly bent, and should press against the holder, opposite the first joint of the forefinger. Rest the hand lightly either on the little finger only, or on the third and little finger tips or nails, which should be curved well under the palm. The muscle of the forearm resting on the desk will prevent the wrist from touching the desk, and thus assist a free movement of the hand. The book or paper should be pushed up as the writing proceeds, so that the hand, wrist and forearm may rest on the desk; never allowing the wrist to rest on the *edge* of the desk.

The **motion** of the hand must be such as will admit of every word, however long, being written without lifting the pen. This continuous motion of the hand across the paper is only possible when the pen is driven from the elbow and shoulder; *not* from the wrist, which should *not* be allowed to come into contact with the sheet. No weight from the body must be thrown on the right arm, which must be perfectly free, in order that the pen must be propelled smoothly and swiftly over the paper. Freedom of motion can best be acquired by practising freehand or

muscular exercises, which afford good training for the muscles of the hand and arm. These should be followed by the repetition and joining together of difficult letters, always being careful to make *every single letter* of the proper shape, otherwise the *word* is sure to be defective.

The **formation** of each small letter, in the acquirement of a running hand, must be such as to admit of its being easily joined to the others. The character of the letters must be that of manuscript-writing, not copperplate, showing that elegance and fluency which is only possible when each word is written without lifting the pen.

The stumbling block to the beginner is the writing of those six letters, *a, c, d, g, o, q,* all of which contain an oval. In each of these letters begin with the *hair-stroke,* carry it well round to form the top of the oval, then *back* over the hair-stroke, and close and complete the oval form of the letter, except in *c.*

In order to promote legibility, simplicity and speed, all loops and tails must be short, especially *t, d, p,* and flourishes avoided.

Exercise great care in the formation of **loops,** particularly in the letter *e,* not forgetting to dot *i, j,* and cross *t.*

Remember that the chief grace of all writing standeth in the equal and even proportion which the letters have one with another.

Spaces between sentences should be twice the distance as between words.

Adopt the simplest style of Capitals, avoiding those which necessitate lifting the pen in their construction.

Never join *words* together.

To **summarise** the above it will be seen that the **secret** of **good** and **rapid writing** consists in the simultaneous movement of the arm, hand and fingers. The middle of the forearm should rest lightly on the desk; and the hand, resting lightly on the tip of the little finger, should glide over the surface of the paper as each letter is formed. The wrist should not touch either the paper or the desk. The pen should not be lifted till each word is finished, and the writer should seek to acquire such a command over his hand that he could, if needful, write a whole line of words without taking the pen off the paper.

In the **filing** away of binding cases, the bundling of letters, invoices, and other documents, the labelling of books, parcels and cabinets, the ability to letter neatly is a useful accomplishment. **Block lettering,** in which all the letters are of the same size and all the strokes are of the same thickness, is the style most serviceable. Due proportion should be observed in the size of the letters, each of which must present a neat and clear-cut appearance.

A B C D E F G H I J K
L M N O P Q R S T U V
W X Y Z

STATEMENTS.
INVOICES. LETTERS.

COMMERCIAL CORRESPONDENCE.

LETTERS are usually classified as (1) **Private,** for intercourse between relatives and friends, *octavo note-paper* generally being used; (2) **Official,** for intercourse between national and local public bodies and their correspondents, concerning the government of the country and its various forms of administration, written on *foolscap* paper, with a large left-hand margin; and (3) **Commercial,** for intercourse, between traders, merchants, manufacturers, bankers, financiers and agents on matters of trade, commerce and finance, either *quarto* (8 × 10½) or *commercial letter-paper* (8 × 5¼) being employed.

The **QUALIFICATIONS** for a commercial correspondent are:

(1) A practical knowledge of modern English.

(2) Familiarity with the phraseology of business in general; and of the correspondent's profession or trade in particular.

Under the first qualification may be mentioned the necessity of correct *Spelling,* which should always be assured in case of doubt, by reference to a Dictionary. The two principal errors in letter-writing—wrong *Punctuation* and defective *Construction* —can only be remedied by a more thorough study of Grammar and practice in the art of letter-writing. The second qualification is readily gained by carefully noting the technical words, abbreviations, and terms occurring in the correspondence, price lists, prices current, invoices, trade reports, &c. The novice should, however, furnish himself with an elementary handbook or manual relating to the trade in which his employer is engaged, with the view of quickly acquainting himself with the numerous technical expressions, thus avoiding the making of stupid and irritating blunders in the correspondence and other work.

The **CHARACTERISTICS** of the commercial style of letter-writing are:—

(1) **Accuracy.** All business transactions must be recorded with strict exactness, or, as is sometimes remarked, "Put down in black and white," as verbal (word of mouth) arrangements are not to be relied on. Lack of concentration and strict attention to the work on hand are the chief causes of errors, which are not only a source of much inconvenience, but sometimes lead to vexatious and costly lawsuits. Every detail must receive the most careful attention. Mistakes are most common in regard to figures—dates, quantities, measurements, prices, &c., therefore great care should be bestowed on checking figures relating to quotations, orders, contracts. In large numbers a keen eye must be kept on the noughts; 1,000,000 bricks must not be ordered when only 100,000 are required. Sums of money should be written in words and figures, thus:—*Fifty pounds* (£50). When accepting an offer always repeat it in clear and explicit terms.

(2) **Clearness.** Say exactly what you mean in the simplest and most direct language, leaving nothing to be implied, always avoiding long sentences. No sentence should be capable of

bearing a double construction, every phrase being so lucid that no interpreter is needed. It should never be necessary to read a letter twice to understand it. Each letter should be a complete link in the chain, so that on reference to the file the sequence or coherence of the correspondence is unbroken, affording adequate information concerning all the facts of the case. Nothing contributes more to clearness than the method of treating different matters in separate paragraphs, each complete in itself. The paragraphs of a reply should always observe the same order as the original letter. The desire to be brief must not be allowed to interfere with the completeness of a letter, otherwise ambiguity is sure to result.

(3) **Conciseness.** Although every letter must be *courteous* and *complete,* however long, it must not be forgotten that time is money in business and therefore should not be wasted in writing unnecessarily lengthy letters. Whatever does not contribute to the elucidation of the subject should be omitted; but brevity which would necessitate incompleteness would result in a waste of time. Quotations and moral reflections, which might be suitable in an essay or a sermon, are quite out of place in a business letter. On the other hand excessive brevity, bordering on curtness, shows a lack of intelligence and refinement and should be avoided. Courtesy is manly without being abrupt, polished without being effusive. The example of a lady, in pasting an advertisement on half a sheet of note paper and writing beneath it :—" I apply for this," is not to be commended; neither is a letter merely containing the following :—" Yours received. The matter shall have attention."

To summarise; be *correct* in statement, *clear* in meaning, and *concise,* but *courteous* in form.

The **FORM OF A LETTER** shows that it consists of seven parts :—

(1) The **Address** of the writer is printed at the right-hand top corner of the sheet, the " Address for Telegrams," the " Telegraph Code," and the " Telephone No.," being stated at the left-hand top corner. Sometimes the name of the firm, as well as the name of each partner, is given, and in the case of public bodies the name of the Manager, Clerk, Secretary, Treasurer, Registrar, Principal, &c The addresses of branches or agencies, and other information of the nature of advertisements often form part of the heading. The printed address should be the full postal address, being in strict accord with the *Post Office Guide*, so as to facilitate the delivery of letters. For instance, all letters addressed to *Bradford* only, will be forwarded to the West Riding city; therefore letters intended for any other place of the same name should be addressed, as needs be, either to : *Bradford-on-Avon; Bradford-on-Tone, Taunton; Bradford-Abbas, Sherborne; Bradford Peverell, Dorchester; or Bradford, Manchester.*

(2) The **Date** may be written either underneath the name of the town or on the same line, and it should always be that upon which the letter is actuallly written and posted, the correct arrangement of the date being :—day, month, year; 4th July, 1915. The names of some of the months may be contracted, thus : Jan., Feb., Mar., Apr., Aug., Sep., Oct., Nov., Dec.

(3) The **Name** and **Address** of the **Addressee** (the person to whom the letter is written) in business letters should follow the date, commencing about an inch, or ten type spaces, from the left edge of the paper, each line of the address beginning a little more to the right. To the names of a tradesman or shopkeeper prefix *Mr.*; of a firm *Messrs.*; of a firm consisting of ladies *Mesdames*; and affix Esq. to the name of a manufacturer, merchant, or a professional man. The title of *Messrs.* should *not* be applied to the names of Corporations and Companies in which there is no implication of personality, for instance: *The Institute of Bankers; The National Telephone Co., Ltd.* When a person is addressed as *Mr., Rev. Dr., Prof., Capt., Col., Lieut., Major, &c.,* the affix *Esq.* must *not* be used. A reverend gentleman may be addressed as the *Rev. Mr. Jones,* when his initials are not known. A knight should never be addressed by his initials, nor should the title *Knight* be affixed to his name; his christian name should be given as:—*Sir George Morrison.* Initials indicating degrees or titles must be placed last, thus: *Henry Brown, Esq., LL.D.* Note that *Mr.* is represented by *Monsieur* in French, and by *Herrn* in German; while *Messrs.* is represented by *Messieurs* in French, and *Herren* in German. The number of a house is placed after the name of the street in Germany.

(4) The **Salutation** (*Dear Sir*) should begin about an inch from the left edge of the paper, and will vary in form according to the personal relations existing between the writer and the addressee, as well as upon the peculiar circumstances that govern the writing of the letter in question. *Sir, Madam* and *Gentlemen,* are principally used in pure formal and official letters, while *Dear Sir, Dear Madam* and *Dear Sirs* are most usual in business letters. In writing to a Company, the Manager or Secretary is presumed to be addressed, therefore salute him as *Dear Sir.* Note that a comma is used after the Salutation or Greeting.

(5) The **Message** or **Body** of the letter should commence under the last word of the salutation, each succeeding paragraph commencing at the same distance from the left margin.

In replying to a letter which treats of a variety of matters, follow the same order that is observed in the original, discussing one subject fully, and in a *separate* paragraph, before proceeding to the next. It is useful to put the name of the subject of a letter at the head, and of each paragraph, either at the beginning thereof, similar to the names of these seven paragraphs, or in the margin of the letter. Such a keyword, in capitals, if typewritten, or underlined if written by hand, makes the letter much easier to grasp. In both official and legal correspondence each different matter is dealt with in a *separate letter.* It is usual to commence a reply with a reference to the letter being answered, frequently summarising such letter in the FIRST PARAGRAPH, thus:—

In reply to your letter of yesterday, as to the articles damaged in transit.

With reference to your enquiry we have pleasure in quoting.

In pursuance of your order of the 26th inst., requesting.

We are in receipt of your letter of the 30th ult., relative to the goods.

Replying to your communication of the 4th inst.

Referring to the completion of the contract for the supply of.

In response to your suggestion.

CLOSING PARAGRAPHS OF LETTERS :—

Hoping to receive your esteemed order.

Thanking you in anticipation of your order.

Awaiting the favour of your reply.

Trusting that the matter may receive your early attention.

Apologising for troubling you.

Hoping that this request may meet with your kind consideration.

Regretting our inability to serve you in the present instance.

It is customary to use the **contractions** *inst.* (instant) for present month; *ult.* (ultimo) for last month; *prox.* (proximo) for next month. Writing on the **25th May,** the expressions in the second column might be employed relative to the dates in the first column :—

29th March.	On the 29th March last.
27th April.	On the 27th ult.
16th May.	On the 16th inst.
28th May.	On the 28th inst.
22nd June.	On the 22nd prox.
9th July.	On the 9th July next.

(6) The **Subscription** or complimentary close (Yours truly) should be written nearly half way across the page, and should be consistent with the salutation.

Sir	*Dear Sir,* .....
I am, Sir,	*We are, Dear Sir,*
Yours obediently,	*Yours truly,*
Gentlemen, ...	*Madam,* .....
We are, Gentlemen,	*I am, Madam,*
Yours faithfully,	*Yours truly,*

(7) The **Signature,** even when the letter is typewritten, should be written in ink by a member of the firm. An official of a Company or public body should give his official description below his signature, thus :—

p.p. Lloyds Bank, Ltd.	per pro. The Advertiser Press, Ltd.,
John Gold,	*Walter Halstead,*
Manager.	Secretary.

An indiarubber stamp, bearing the name of the Company, is often used by the official, who signs his name in the space provided.

A business woman, writing to a stranger, should never neglect to prefix to her signature the title of *Miss* or *Mrs.* in parenthesis, so that the reply may be properly addressed.

Unmarried .....(*Miss*) *Mary Pollard.*
Married.....(*Mrs.*) *John Sykes.*
Widow.....(*Mrs.*) *Mary Sykes.*

PER PRO. or **p.pro.** or **p.p.** When an employee is authorised to sign a firm's name, he is said to sign by procuration or *per procurationem,* meaning a delegate or representation of another. While the proper method of investing an employee with this power is by the execution of a Power of Attorney, the exercise of such a power occasionally arises by mere custom, which, when duly established, becomes legally binding upon a firm. In the absence of a P/A. a clerk should only use the word *per* or *for,* and not *pro* at all.

Jones & Co., *For Brown Bros.,*
per Norman Kaye. *Thos. Phillips.*

ENCLOSURES (Invoice, Money Order, Cheque, Receipt, &c.) in letters should be indicated at the top left-hand corner by the name or number of the documents being stated thus: "Enc. 3" or "Inv." In official letters a dash is often put in the margin opposite the line referring to each enclosure. Enclosures are sometimes attached by means of a paper fastener, to the top left-hand corner of the letter, thus ensuring insertion in the envelope. Courtesy requires that all letters to disinterested persons, especially letters requesting favours or information which will not result in mutual advantage, should contain either a stamped-addressed envelope, or a stamp, for reply.

A **Letter Reference** is sometimes given at the head of a letter, with a request that it be quoted in any reply thereto, so as to facilitate reference to the copy, thus: *Please quote* | F. | 31 |

A **Postscript** (P.S.) is a paragraph added to a letter below the signature, and is generally the result of an afterthought.

MEMORANDUM FORMS, consisting of half a sheet of quarto paper, with printed headings and spaces for the date, name, and address of the addressee, are often used for writing short notes which are not of sufficient importance to require signing, although they are often initialled.

MEMORANDUM.

5th April, 1917.

FROM
JOHN DIXON & CO.,
41, NORTH STREET,
HALIFAX.

TO
Messrs. J. Mellor & Co.,
93 Market Street,
BARNSLEY.

In reply to your letter of yesterday, I shall be unable to meet you at the hour named owing to a previous appointment. Will 11 a.m. suit you? If so, please wire to that effect. **J.D.**

ADVICE NOTES, consisting of printed forms or post cards, containing blanks for special matter, are largely used for short letters enclosing and acknowledging the receipt of remittances; advising the arrival of vessels; the dispatch of goods, &c. Note the following examples:—

We beg to inform you that our Mr. Jones hopes to have the pleasure of waiting upon you in a few days, when the favour of your orders will oblige.

Our Mr. Robinson will have the pleasure of waiting upon you on or about Wednesday, when the favour of your orders will be esteemed.

We beg to acknowledge receipt of your order for.....given to our Mr. Robinson to be sent on.....which will receive best attention. Please accept our thanks.

We are obliged by your esteemed order No. 3609 of the 3rd inst., which has our prompt attention.

We have to thank you for your remittance of the 1st inst., value £50, which has been placed to your credit, and for which find official receipt enclosed.

Your further commands will receive our prompt and careful attention.

We beg to acknowledge with thanks, receipt of yours covering order for tickets, and assure you it shall receive our best attention.

Trusting to receive an increased amount of your work.

We beg to advise you that we have sent you to-day, per L. & N.W. Railway Co., 6 pieces, received from you on account of.....

Please note that we have instructed the Railway Co. to charge carriage of same to your account.

We have to-day forwarded per L. & N. W. Railway Co., one case as under, carriage paid, to your address at Liverpool; which please ship per S.S. "Tauris" to Messrs. Morrison & Co., New York, carriage forward.

Yours truly,

Wildsmith & Co.,

New York.

One case Woollen Cloths, containing six pieces, viz.:—
4 pieces 6/4 and 2 pieces 3/4. Weight 407 lbs.
Value £94 7s. 11d.

Any further communication on this subject to be addressed to THE OFFICIAL SECRETARY

COMMONWEALTH OF AUSTRALIA.

C.

IN REPLY PLEASE QUOTE

95/11

TELEGRAPHIC ADDRESS. "CROTONATE, LONDON."

HIGH COMMISSIONER'S OFFICES
72 VICTORIA STREET
WESTMINSTER.
S.W.

5th May, 1911.

Sir,

In reply to your letter of the 4th instant I forward herewith a copy of a statement setting out the Australian Customs duty on advertising matter and explaining the various methods by which such duty may be paid.

The use of fiscal stamps obtainable from this office - see par. 5 (c) of the statement - is probably the best method to follow, but it may cost more to prepay the duty by that method than by the procedure explained in pars. 5 (a) and 5 (b). In this connection attention is invited to the particulars on page 2 of the statement as to proportionate amount of duty charged on fractions of a pound weight when payment is made on each single packet.

I am,

Sir,

Your obedient Servant,

R. Munro Ferguson

Mr. Arthur Fieldhouse.

P.O. Box A 27.

Huddersfield.

DIAGRAM ILLUSTRATING ARRANGEMENT of COMMERCIAL LETTERS.

MARGIN.

(Printed Heading.)

Date .....

..... } *Name & Address*

..... } *of Addressee.*

.....*Salutation*

1st Paragraph .....

.....

.....

2nd Paragraph .....

.....

.....

.....

.....

3rd Paragraph .....

.....

.....

Subscription .....

Signature .....

SPECIMEN OFFICIAL LETTER.

REGISTERED No. 224772.
Any further letter should bear this number, and should be addressed—
"THE SECRETARY,
General Post Office,
LONDON, E.C."

Returned Letter Office,
LONDON, E.C.,
19th May, 1917.

Sir,

With reference to your application of the 16th inst., I am directed by the Postmaster General to inform you that the packet for which you enquire cannot be found.

Enquiry will now be made at every Post Office through which it would pass, but no further reply will be sent to you unless some information respecting it is obtained, in which event you will be informed without delay.

It sometimes happens that a letter (or Packet) applied for as missing is afterwards found to have been delivered at its address, or returned to the sender, or even not to have been posted. In any such case the Postmaster General would feel obliged if he were informed.

I am, Sir,
Your obedient Servant,
J. DOWNES,
Controller.

A. Thomson, Esq.

SPECIMEN COMMERCIAL LETTER.

Enc. 3.
Telegraphic Address:
"FOYLIBRA," London.
A.B.C. Code, 4th ed.
Telephone: 8180 Gerard.

121 Charing Cross Road,
LONDON, E.C., 2,
31st March, 1917.

Arthur Fieldhouse, Esq.,
P.O. Box, A. 27,
HUDDERSFIELD.

Dear Sir,

We thank you for your letter and books duly to hand, for which we enclose cheque value £1 13 0. Please receipt and return invoice.

We beg to enclose "copy" for advertisement in the new edition of your textbook, which kindly insert in the best possible position.

You will notice from the above address that we have now moved to larger premises, to which we shall be glad if you will address all our future parcels.

Yours faithfully,
W. & G. FOYLE.

QUOTATIONS AND ORDERS.

(1) *We should be obliged if you would let us have, as early as convenient, your lowest quotations for Apricot, Strawberry, Raspberry, Gooseberry, Blackberry, and Greengage Jams.*

Please forward us a copy of your latest Price List.

(2) *In reply to your letter of yesterday, we have pleasure in enclosing you a copy of our new Price List, from which you will notice that the price of the Jams you enquired about are as follows :—*

Apricot...	1lb. white pots,	4/6	per doz.	2lb. white pots,	8/3	doz.
Strawberry	,,	5/-	,,	,,	9/3	,,
Raspberry	,,	5/3	,,	,,	9/9	,,
Gooseberry	,,	4/-	,,	,,	7/3	,,
Blackberry	,,	4/6	,,	,,	8/3	,,
Greengage	,,	4/9	,,	,,	8/9	,,

You will notice from the Price List that Returns are allowed for at the rate of 8d. per doz. on 2lb. pots, and 6d. per doz. on 1lb. pots.

The terms are cash in 14 days after the date of invoice.

Hoping to be favoured with your order.

(3) *We are obliged by your letter of the 14th inst., with Price List and shall be glad if you will forward to us per G.N. Railway, the goods stated on the enclosed Order Form, carriage paid.*

As our stock is getting low, we should be glad if you would forward as early as possible.

(4) *We are in receipt of your esteemed order of yesterday, to which we are giving our best attention. All the goods will be sent not later than to-morrow, except the Apricot Jam, which we hope to send not later than the end of next week.*

(5) *We are duly in receipt of your letter containing order for 80 pieces of Worsted Tweeds at 3/-. We regret to say, however, that we are unable to accept so low a price on account of the rapid rise in the market. We shall be glad if you will kindly wi e us to-morrow, stating whether we may book the order for you at 3/3.*

(6) *Referring to your letter of yesterday, we beg to say that we have prevailed upon our customer to authorise us to buy the 80 pcs. at 3/3, and shall be glad if you will book the order at that figure.*

We regret that we received your instructions too late to enable us to wire to-day.

(7) *In reply to your letter of yesterday, we regret to say that your limit is again impracticable, the market having still further advanced. We cannot now take less than 3/4½ at which price we give you the refusal of the 80 pcs. until 11 o'clock to-morrow.*

Please wire early in the morning.

(8) *I shall be glad to receive, at your earliest convenience, patterns of prints for the coming season; also quotations and your best terms.*

(9) *I am obliged for yours of the 10th inst., and, in accordance with your request, have forwarded per parcel post, a number of assorted patterns. These goods are of the latest designs, and should have a good sale. List of prices and terms are enclosed.*

Awaiting the favour of your esteemed orders.

(10) *I am in receipt of your favour enclosing patterns, but your terms are not as favourable as those of the firm with whom I am now dealing. They allow me 2½%, and three months' credit. If you can see your way to put me on the same terms kindly let me know per return, when I may be disposed to give you a trial order.*

(11) *Referring to your letter of yesterday, I beg leave to say that, after careful consideration, I have decided to agree to your suggestion with regard to discount and credit.*

Trusting that the satisfactory execution of the trial order may lead to further business.

(12) *Your favour of the 20th inst. came duly to hand, but to enable us to quote your rate for the goods we must have further particulars as indicated in red ink on your specification, which is returned herewith.*

We shall be glad to have your reply as soon as possible and to know exactly where the goods will have to be delivered.

(13) *I shall be glad if you will forward at once, as per patterns, by Midland Railway, carriage paid; terms as usual:*

28 yds. Blue Serge	*@*	*4/3*
37 yds. Black Diagonal Coating	*@*	*5/6*
52 yds. Black Italians	*@*	*1/2*

(14) *Please send us 60 Bales of Wool as invoiced on 24th September last, and ship by first steamer to Liverpool, drawing upon us as usual for the amount for our invoice. Insurance will be effected here.*

(15) *We are in receipt of your favour of the 2nd inst., offering a parcel of Silks at 17/6 per piece.*

In reply thereto, we have pleasure in accepting your offer, and shall be glad if you will forward the goods to us at your early convenience and debit our account as usual.

(16) *We received your favour of the 7th inst., in compliance with which we have shipped 50 bales of Wool to Ghent, and beg to enclose invoice for same. We have debited you with the amount of £450.*

(17) *Responding to your kind enquiry re price of textbook, we shall be pleased to supply 1000 copies, exactly on the terms of your specifications, for the sum of £67; additional thousands to be run off at the same time at the rate of £32 per thousand.*

Trusting to be favoured with your order.

(18) *I am obliged by your letter quoting £67 for 1000 copies of my textbook, as per my letter of the 31st May, which figure I have pleasure in accepting.*

Herewith you have first batch of "copy" so that you can make a beginning at once.

COMPLAINTS AS TO GOODS.

(19) *I regret to state that the glue invoiced to me on the 6th ult., is inferior in quality, and my customers are returning it; I must therefore ask you to give me credit for the remainder of the order thrown on my hands, or to exchange it for glue of the usual quality.*

Awaiting your reply in due course.

(20) *We exceedingly regret the inconvenience you, as well as others of our friends, have sustained through an error on the part of one of our warehousemen. On enquiry we find that about two tons of No. 3 quality of our glue had been put into bags marked No. 1, and charged accordingly. As there can be no doubt the article you complain of has been taken from this lot, we shall most cheerfully send you equal weight of No. 1 for what you return, and allow the difference in price, 10/- per cwt., for what you have sold. Please forward by an early goods train all you have on hand, with invoice of same per post, debiting our account with expenses of carriage, &c.*

We have pleasure in stating that our latest making of No. 1 is of very superior quality, and you may recommend it with every confidence to your customers.

Apologising for the error, and trusting to be favoured with your further orders.

(21) *The goods included in your invoice of the 6th inst. are now to hand, but are so badly damaged as the result of careless packing, that they are quite useless to us. We await your instructions as to their disposal, and shall be glad to hear when we may expect delivery of sound goods.*

(22) *In reply to your letter of yesterday as to the damaged goods, we have enquired into the matter and find that they were properly packed. There appears to be little doubt that they were damaged in course of transit, and if you will forward us particulars of the damage we will make a claim upon the railway company. Should you be able to utilise the goods we shall be pleased to receive an offer from you.*

Immediately on hearing from you as to what further quantity you require we will forward same.

(23) *We are obliged by your letter of the 16th inst., and shall be prepared to retain the damaged goods on an allowance of £25 being made. We will keep the goods intact so that the officer of the railway company may inspect them.*

Herewith you have further order, which we shall be glad if you will execute at your earliest convenience.

(24) *On the 10th inst. we forwarded to Messrs. Blank & Co., 5 packages of goods, which were damaged in transit. Messrs. Blank & Co. have made a claim upon us for £25, and we shall therefore be glad if you will ask your inspector to make arrangements for the inspection of the goods at once, otherwise Messrs. Blank & Co. may insist upon returning the whole of them.*

(25) *I regret to have to complain that the quality of the 10 chests of Tea, received last week, is most unsatisfactory. This is the first time, in many years, that I have had occasion to complain, and it occurs to me that there may have been some mistake in forwarding, about which kindly enquire. These chests are quite useless for my class of trade and I shall have to return them.*

Hoping to hear from you on the matter by return of post.

REMITTANCES, ACKNOWLEDGMENTS, and DEMANDS.

(26) *We should be much obliged if you could make it convenient to let us have a Cheque for £100 on account of the work done in connection with your premises.*

(27) *In reply to your letter of yesterday, enclosed please find a Cheque for £100 on account. Kindly acknowledge receipt.*

(28) *We beg to acknowledge receipt of your favour of the 17th inst., enclosing Cheque for £100, for which please accept our best thanks. Stamped receipt is enclosed.*

(29) *Herewith please find Cheque for £7 5 6, in payment of the enclosed Invoice, which kindly return receipted.*

(30) *I am duly in receipt of your Invoice amounting to £16 11 6, and now enclose Cheque for this sum, receipt of which please acknowledge.*

(31) *We beg to enclose Statement of our account for January, and shall be obliged by a remittance at your earliest convenience.*

(32) *We have to remind you that our last month's account is much overdue, and we will thank you for Cheque in settlement by an early post. The prices of our goods are cut so fine that we have to insist on prompt payment.*

(33) *We are in receipt of your letter of yesterday's date. Our Mr. Jones is away in Ireland on urgent business and will not return until Thursday evening, when the matter shall receive immediate attention.*

(34) *We are rather surprised that you have not sent us a Cheque as promised on Thursday last, and shall thank you to kindly send us same not later than Monday next, as we are anxious to close our books for the year.*

(35) *We are very sorry that, owing to the large number of our outstanding accounts, we have not been able to let you have a Cheque for our account. We expect two or three large remittances in the next few days, and we will send you some money not later than Thursday or Friday at the latest.*

Apologising for having to disappoint you.

(36) *Having made repeated applications for payment of this account without avail, we now beg to give you notice that unless we receive a remittance in settlement by return of post, we shall have no alternative but to place the matter in the hands of our solicitors.*

(37) *We have to inform you that a Cheque for £50, drawn by Messrs. Jones & Robinson, on the Yorkshire Banking Co., Ltd., in your favour, and handed to us for collection, has been returned marked R/D.*

Herewith we return Cheque, the amount of which has been debited to your account.

(38) *We are very much surprised to find that the Cheque for £50 which we received from you on the 15th inst., and which we paid into our bank in due course, has been returned dishonoured, marked R/D.*

We cannot but think that there has been some mistake in connection with the matter and therefore await your explanation.

(39) *We are in receipt of your letter of yesterday's date, and we are much surprised at the contents.*

We have spoken to our bankers with reference to the matter and there has evidently been some misunderstanding on their part. We regret the annoyance to which you have been put, but if you will please present the Cheque again we can assure you that it will be duly met.

TEST PAPER 1.

1. Name and define the classification of letters.

2. What are the qualifications for a Commercial Correspondent?

3. Name the two principal errors in letter writing, and state how they may be avoided.

4. State briefly the characteristics of the commercial style of letter writing.

5. Of how many parts does a letter consist? Name them.

6. In addition to the address of the firm, what is usually found at the head of a sheet of letter paper?

7. With what official publication should the postal address of a firm accord?

8. How would you state the date at the head of a letter?

9. To whom does the word "addressee" refer?

10. What is the difference between addressing a letter to a tradesman and a firm?

11. What is the meaning of "Salutation" and "Subscription"?

12. Give an example of where the *body* of a letter should commence.

13. What rule should you observe in answering a long letter dealing with many matters?

14. Give the full word and meaning for the following abbreviations: "inst.," "ult.," "prox.," "per pro."

15. If you were writing on the 18th June, how would you refer to these dates?—29th April, 14th May, 10th July, 5th Sept.

16. Of what does the first paragraph in a reply letter generally consist?

17. Show how the official of a Company should sign letters.

18. How is the attention of a "junior" drawn to the fact that there are enclosures in a letter?

19. What is a letter reference? Give an example.

20. For what purpose are memorandum forms principally used? Do they require signing?

21. For what kind of communications are advice notes used?

22. Show how you would commence a business letter to the following, by putting the name and address and salutation in their proper positions. (1) Sir Isaac Pitman & Sons, Ltd., Phonetic Institute, Bath. (2) Smith, Bros. & Co., 25 Mark Lane, London, E.C. (3) Henry Walker, Bookseller, 25 Briggate, Leeds. (4) The Halifax Manufacturing Co., Ltd., George Street, Halifax.

23. Write a short letter from yourself (properly headed and addressed) enclosing cheque for £10 10 0 and asking for receipt.

24. Show how you, as an employee of Taylor & Co., would sign a letter (*a*) if duly authorised (*b*) if possessing no special authority.

25. Write a letter in reply to the following advertisement:—

WANTED, Sharp Boy for Office. Apply, Brown & Sons, Ltd., Park Works, Lockwood, Huddersfield.

WRITING and COPYING LETTERS and INDEXING.

The **INK** chiefly used in offices consists of (1) *Black* or *Record,* for book-keeping and documents; (2) *Red,* for ruling accounts, underlining headings, and writing special documents; (3) *Copying,* for writing letters and documents required to be press-copied. Copying ink should never be used for book-keeping on account of its tendency to smear.

In small concerns the books are kept and the correspondence conducted by the same clerk, but in larger businesses these duties are discharged by different persons, while in the largest establishments many correspondence clerks are employed. When the letters are few a **CARBON DUPLICATING LETTER BOOK** will be found most economical, as an exact carbon copy of each letter is secured at the same time as the writing of the original, which is torn out of the book and dispatched to the addressee. Carbon books, which may be had in various sizes, contain numbered sheets of writing paper, perforated near the binding, so as to facilitate tearing out. The writing sheets are interleaved with oiled tissue pages for receiving the carbon copies, which are retained in the book for reference. A carbon sheet is placed between the letter and oiled sheets and upon the letter being written with a hard lead pencil, the pressure of writing results in a carbon facsimile being transferred to the oiled sheet.

Where the letters are more numerous it is customary for the principal or manager to **dictate** them to a **shorthand writer,** who will transcribe them either (1) by hand, in copying ink, or (2) by a typewriter, which must have a copying ink ribbon or pad if the letters are required to be press-copied. Letters must be written on *one side* of the paper only, a left-hand margin of about an inch being generally allowed; although the margin may be narrowed for a long letter and widened for a short one. The **spacing** of the matter must be suited to the size of the sheet, short letters being so displayed as to fill the greater part of the paper. It is desirable that the last word in a line should *not* be divided.

After the **letters** have been **signed** by the principal or manager they must be **copied,** if a copy has not already been taken by the typist. The junior must be very careful not to dispatch any letter until a copy has been made, otherwise there would not exist a complete record of the various transactions, which would be a serious omission. There are **two methods** of **copying** (1) by the use of "carbon paper," (2) by means of the "copying book." Where the letters are typewritten by far the best method is for the typist to take a **CARBON COPY** of each one on a thin sheet, thereby securing a facsimile of the original letter, at the same time as it is written. This is done by inserting in the machine (*a*) the sheet upon which the carbon copy is to be made, (*b*) the carbon sheet, (*c*) the letter paper, the latter being placed on the top, the copy sheet at the bottom and the carbon sheet between. When replying to a letter written *only* on one side of the sheet,

the carbon **copy** of the **reply** may well be made on the other side of the original letter, thus effecting an economy not only in paper but also in filing. **Extra copies** of a letter may be made by the insertion of additional sheets and carbons to correspond. This is particularly useful when it is desired to send away a copy of a letter to another correspondent, without the trouble of re-typing it.

PRESS COPYING is the older and more cumbrous method of copying letters, but it is not to be compared either for economy or efficiency with carbon copying. The only advantage press copying has over carbon copying is in producing an exact facsimile of the letter *as signed*; carbon copies often being defective in this respect. The following special apparatus and materials are needed for press copying :—

1. A **Letter Book** consisting of 500 to 1,000 quarto pages of thin white tissue or stout buff porous paper, each leaf being numbered in the right-hand top corner, so that the names of the persons to whom the letters are sent, together with the numbers of the pages, may be entered in the Index at the front of the book.

2. An iron **Copying Press,** which is usually fixed on a stand, having a drawer in which is kept some of the copying materials. By turning round the handle of the press the screw is lowered so as to squeeze the Letter Book between two iron plates, the pressure causing the damp page to absorb some of the ink from the letter, and thus produce an exact copy.

3. Oiled **Waterproof Sheets** for inserting between the tissue sheets in order to prevent the moisture striking into the other leaves.

4. **Drying Sheets** made of very tough blotting paper, used to absorb the surplus moisture after applying the damping brush and before inserting the letter.

5. **Water Well,** made of either earthenware or japanned tin to hold the necessary water.

6. **Damping Brush,** made of hair, felt or rubber, for damping the sheets.

7. **Copying Bath** or tray, containing rubber or linen sheets for copying typewritten letters.

In copying a **hand-written letter,** presuming that the last letter was copied on page 50, you would place an *oil sheet* on the under side of that page, turning page 51 on to the oil sheet, holding it in position with the left hand. Draw the *damping brush* down or across the sheet in such a way as to leave quite dry about half-an-inch from the binding, also the top corner showing the number of the page. Place on the top of the wet page a *drying sheet,* and on the top of that an oil sheet. The book may now be placed in the press for a few seconds, being careful to keep the binding *outside* the edge of the iron plates. On removing the drying sheet from the book it will be found that page 51 is uniformly damp and is ready to receive the letter, writing downwards, on the back of the tissue leaf, with the left margin of the letter near to the binding. As the wet leaf takes an impression immediately the ink touches it, care must be exercised not to move the letter when closing the book, otherwise both the original and the copy will be blurred and may be spoiled,

necessitating the re-writing of the letter. After a few seconds pressure, the letter may be removed, the oil sheets being left in the book until the leaf is dry. By inserting an oil and a drying sheet between each page, several pages may be prepared at one time, and thus from six to a dozen letters may be copied at one operation. Care must be taken that the leaves are not *too* dry, or the copy will be indistinct and of no practical value.

The process of **copying typewritten letters** differs from the above in that the leaves must *not* be moistened with a brush. A damp linen or rubber sheet must be taken from the Copying Bath and placed on the top of an oil sheet. The face of the tissue leaf will thus fall over on to the damp sheet, the letter being laid on the back of the tissue leaf, followed by another oil sheet. *At least two minutes'* pressure is needed for the damp sheet to draw the ink on to the tissue leaf. When an old ribbon is used three or four minutes pressure may be needed. After the copy is made the damp linen sheet must be removed and may be replaced by a drying sheet.

When separate Letter Books are kept for each department of a large business, special care is needed in using the proper book.

Loose Sheets of tissue paper are occasionally used for making copies of letters and documents, particularly when more than one impression is required.

As compared with *written* copies of letters it will be noticed that all the **methods** described possess **three advantages**:—(*a*) there is a great saving of time; (*b*) the copy not being a transcript, but a facsimile, is perfectly accurate; (*c*) the copy cannot be altered, corrected, or added to, without detection.

SPOILED PAGES must never be torn from the Letter Book, as the absence of a single page might prejudice the value of the book as evidence in a Court of Law. Torn pages should be repaired with postage stamp edging, and those spoilt by improper copying must be marked with a coloured pencil. *Cancelled, see page 103.*

THE OBJECT of **copying letters** being for future reference, some method must be adopted for readily finding any given copy. As all the letters are copied in order of date it is easy to find one when the date is known, but when asked about a letter written to *John Brown*, reference must be made to the Index under letter **B,** where such a record as the following may be found:—

Brown, John, 72, 106, 143, 183, 207, 248, 301.

INDEXING. The **object** of an **index** is to afford a ready reference to the contents of a book. An index has been defined as an alphabetical list of matter discussed in a book or set of books, showing where each subject is to be found; a table of references in alphabetical order. Whether a book be written or printed, even a meagre index increases its value and usefulness, while a comprehensive and carefully compiled index doubles the value of the book to the diligent student. Indexes vary in size; they may be very small, like the one at the end of this book, or very large, as in the case of legal and medical works, where the indexes run to as many as 300 pages. Such an index is essential

to the busy professional man, who is thereby enabled to satisfy himself quickly upon a point of law or a course of treatment. If the advantages of an index be so great to the student and professional man, how much more so to those engaged in the world of business, where it is imperative that time and energy should be economised to the utmost, in order to meet the increasing demands of modern business.

Indexing is chiefly used in business in connection with the preservation of letters and documents, the **Letter Book**, the Order Book, and the Ledger. **Indexes** are of **two kinds** (1) the **ordinary** or simple system; (2) the **vowel** system. The **ordinary** system is the only one in use in small establishments, and merely consists of writing the names in alphabetical order, surname first, followed by the number of the page or pages, containing the letter, account or other matter referred to. Where the space permits it is advisable to leave a blank line between each name in the index, perchance there are more reference numbers than one line will accommodate.

The **Letter Book Index** is usually **fixed** into the binding at the beginning; in some cases it is **loose**; while in rare instances it is **extended**; that is, attached to, but opening beyond and outside the back, so as to give the same facility in indexing as if it were loose. Such words as *The, Mr., Messrs., Esq.,* should be omitted when indexing, which must be attended to *daily,* on no account being allowed to get into arrear. Each page may be **ticked** near the number as it is indexed. Note how the following names are indexed:—Messrs. Adamson Bros.; Mr. Henry Ashton; Sir Edward Allen; Benjamin M. Addy, Esq.; Miss Atkinson; Lord Austin; Mr. Edward Bailey; Messrs. Bentley, Smith & Co.; The Secretary of the Brighton Grammar School, Ltd.; Messrs. J. W. Broadbent & Co.; Messrs. Butler Bros., Ltd.; Sir Hubert Byers; Messrs. A. Cannon & Co.; The Manager of the Century Typewriter Co., Ltd.; William Clixby, Esq.; The Consett Technical Institute; Messrs. E. Cumberbatch & Co.; Mrs. Clyde.

Adamson, Bros. 1, 53, 74, 98, 109, 143.
Allen, Sir Edward 52, 73, 97.
Atkinson, Miss 43, 76, 114, 156.
Ashton, Henry 9, 28, 41.
Austin, Lord 16, 34, 56, 78, 91.
Addy, Benjn. M. 54, 79.
Bailey, Edward 2, 15, 60, 87.
Bentley, Smith & Co. 170.
Brighton Grammar School, Ltd. 111, 206, 352.
Broadbent, J. W. & Co. 35, 61, 88, 112, 155.
Butler Bros., Ltd. 27, 59.
Byers, Sir Hubert 144, 171, 353.
Cannon, A. & Co. 3, 22, 37, 66.
Century Typewriter Co., Ltd. 99, 123, 207.
Clixby, William 408, 516, 584, 601.
Consett Technical Institute 4, 29.
Cumberbatch, E. & Co. 50, 69, 108, 121.
Clyde, Mrs. 356.

When referring to several copy letters all written to the same person it is inconvenient to turn to the index for the number of each page, therefore resort may be had to the time-saving method of **CROSS-REFERENCING,** which consists of marking each copy, in coloured pencil, with the number of the pages containing the *preceding* and *succeeding* letters; the form of a fraction being used for the numbers; the numerator indicating the page on which the previous letter may be found, and the denominator giving the page of the following letter. On the filling of one book and the opening of a new one the cross reference in the old book on page 998 might be $\frac{997}{10}$ and in the new book on page 10, $\frac{998}{43}$. The cross-references to the letters sent to Adamson Bros. are given below:—

On page	1	53	74	98	109	143
Cross-reference would be ...		*1*	*53*	*74*	*98*	*109*
	53	*74*	*98*	*109*	*143*	

VOWEL INDEXING. It is clear that the ordinary system of indexing would be inadequate to the demands of registries, banks, insurance offices, and other large concerns, where thousands of names have to be recorded. The Registers of Births, Marriages, Deaths, Deeds, Wills, Bills of Sale, &c., kept at Somerset House, and elsewhere, are all arranged upon the **Vowel System,** which consists of devoting **six columns** to each letter of the alphabet, each name being recorded in that column indicated by the **first vowel** occurring after the initial letter of the surname. The saving of time involved in searching for a name under the Vowel System is too obvious to need comment. It must be noted that the first vowel in a name is frequently the third, sometimes the fourth, and even the fifth letter, *e.g.*, Bl*a*mires, Ell*i*ns, Oldr*o*yd, Etch*e*lls, Osb*u*rn, Inn*i*s.

In addition to these two systems of indexing, the size or arrangements of a business may necessitate further classification of customers into (1) **Towns** as: Birmingham, Bradford, Bristol, Liverpool, Manchester, Leeds. (2) **Counties** as: Cumberland, Durham, Lancashire, Northumberland, Westmorland, West Riding. (3) **Districts** as: North of England, South of England, East of England, West of England. (4) **Countries** as: England, Ireland, Scotland, Wales, France, Germany, Belgium. Should the names to be indexed be so numerous that the Vowel System is insufficient, resort must then be had to dividing each letter of the alphabet into from ten to twenty columns, thus: *Aa, Ab, Ac, Ad, Ae, Af, Ag,* and so on with each letter. (*See page 43*).

CARD INDEXING consists of the use of either a single tray or drawer, or a cabinet of drawers, in which are placed a number of cards, set on edge, either in alphabetical order, date order, or according to any plan that may be most suited to the particular transactions of any business. The cards are held in position by adjustable guide blocks, and secured in their places by a rod, which passes through a slot in the bottom of each card. Although the card system has been in use in connection with the cataloguing of books in public libraries for some years past, it is only recently that the system has been largely adopted for

business purposes. Card indexing is applicable to any trade or profession, and the larger and more complicated a business becomes, the greater is the need for focussing all its details by the aid of the card index. The system not only indexes, but renders double and cross-indexing possible. The placing of tab cards and **guide cards** may make one record card available under several different headings, and so systematise several lines of information. Contraction and expansion to suit changing requirements of a business are possible with the card index system, and the facility of reference is unimpaired. If a large cabinet becomes necessary the cards can be transferred, and re-writing— as would be required with a book index—is avoided. Dead matter—cards that contain record of obsolete information—can be withdrawn and the space given to live matter. The result is an index and record always available and unencumbered by matters that have ceased to be useful. If it be desirable to preserve the cards that are eliminated from the system they may be filed away in a Card Index Storage Case. The system is particularly useful for recording and following up enquiries in business, *e.g.*, one side of a card may be used for recording the letters and enquiries received from a firm and the reverse side for quotations made and orders received, thereby enabling one to grasp instantly all the principal details of the transactions with a given firm. In conjunction with this system, there may be used a "**tickler,**" which consists of a plain card on which is written the name and address of a correspondent and a record of his enquiry, this card being placed in a special drawer, behind a guide card, bearing a given date, upon which another letter may be sent to such correspondent if no further enquiry has been received from him; this being repeated until an order is secured. The advantages afforded by the adoption of the Card Index System may be stated as follows:—(1) Opening of new indexes or books dispensed with. (2) The position of a card never changes. (3) No blank cards. (4) The removal of "dead" cards. (5) The handling of "live" cards only. (6) The greater facility with which references may be made.

Any first-class stationer will be pleased to supply illustrated catalogues of Card Indexing Systems free of charge.

TEST PAPER 2.

1. Name the principal inks used in business and state for what purpose they are used.
2. What is a Carbon Duplicating Letter Book?
3. What method is adopted in disposing of the correspondence when the letters are numerous?
4. After the letter has been typewritten and before it is copied what must be attended to?
5. Why must a copy be retained of every letter dispatched?
6. What is the object of an index?
7. Name and describe the two principal methods of copying letters. Which is the more economical?
8. Give a list of the materials required for press-copying.

9. How may additional copies of a letter be taken (a) when typewritten, (b) when handwritten?

10. How may six different letters be copied in the letter book at the same time?

11. State the advantages that carbon and press-copy letters have over written copies.

12. How would you deal with a spoilt leaf in the Letter Book, and why?

13. How can you find in the Letter Book a copy of a letter dispatched when (a) the date of the letter is given, (b) the addressee's name is given?

14. Are all Letter Book indexes bound into the Book? If not, state the other methods.

15. How frequently should the Letter Book be indexed and how would you indicate that a given page has been indexed?

16. What is "cross-referencing?" Give an example showing five pages.

17. Write the following names as they should appear in the Letter Book index, and state under what letter in the alphabet they should each be indexed:—Messrs. John Sykes & Sons; Messrs. A. & C. Wilson; B. Allen, Esq.; Manager of the London & Midland Bank; The Secretary of the Associated Chambers of Commerce of the United Kingdom; Messrs. Gregory Smith & Co.; H. D. Leveson-Gower, Esq.; Mr. James McPherson.

18. Describe the two systems of indexing.

19. What is Card Indexing, and what are its advantages?

20. Make a Vowel Index for the Letter E. and Index the following names therein:—Mr. Thomas Edwards; The Empire Typewriter Syndicate, Ltd.; Messrs. Wm. Ellins & Son; Messrs. Eyre & Co.; Messrs. Eastwood, France & Co.; Messrs. Evans & Cooper; Mr. Richard Everitt; Thomas S. Elvy, Esq.; Mr. S. A. Elcombe; Messrs. Edmunds Bros.; Thomas Elford, Esq.; Messrs. Wm. Edge & Sons, Ltd.; The Eureka Soap Co.; Messrs. Elliott, Sons & Co., Ltd.; Messrs. Eadie Bros.; H. M. Elston, Esq.; Messrs. Geo. England & Son; Messrs. Eccles & Co.; Lord Ellesmere; Mr. Arthur Emerson; Mr. Richard Eaton; William Ellis, Esq.; Messrs. Emmett & Sykes; F. Eeroyd, Esq.; C. J. Engledew, Esq.; Messrs. Ely & Son; Dr. Joseph Ewart; Captain Edgerton; Messrs. Edgington & Co.; Sir Robert Edgecumbe; Mr. James Ellingworth; The Secretary, Economic Bank; Equity and Law Life Assurance Co.; Earl Eckersley.

21. Write the following letters:—(1) To Mr. Robinson Brown, The Royal Silk Warehouse, Macclesfield, ordering the following White Turkish Towels:—

2 doz. fringed ends,	size 18in.	× 34in.	@ 5½d.	each.
2 doz. do.	21in.	× 46in.	@ 8¾d.	,,
2 doz. hem-stitched ends	24in.	× 45in.	@ 1/2½	,,
2 doz. do.	27in.	× 50in.	@ 1/11½	,,

(2) Reply that the above goods have been dispatched to-day per L. & N. W. Railway and enclosing invoice.

(3) To Mr. R. Brown enclosing Cheque in discharge of the total amount of the invoice, minus 5% cash discount.

	A	E	I	O	U	Y
A	Allan & Co..... 5 Astman, Geo.... 10	Ankrett, Harry 18 Ansell, Geo. ... 34 Anderton, Thos. 62	Aitken, John ... 43 Ainley, Bros. ... 46	Argo, James..... 71 Ashton & Jones 84 Armstrong & Co. 97	Arthur & Co. ... 100 Austin, Henry 109	Ayres, Wm..... 130 Addy, B. M. ... 136
B	Banks, Frank ... 6 Bailey, Ernest... 16	Best, Oliver..... 8 Bedell, Thos. ... 39 Bleasby, Alb. ... 47	Brierley, Joseph 51 Binks & Co..... 81	Brooks, Bros.... 93 Booth, Edwin... 98 Brown, T. C. ... 104	Burton & Sons 106 Burns, Robert... 112 Bruce & Co..... 116	Byles & Cross... 119 Blyde, Chas. ... 134 Blyth, John 150
C	Cranston & Co. 3 Clarke, Benj. ... 9 Carter & Sons... 19	Cecil, Robert ... 129 Cherry, Saml.... 182	Christie & Sons 2 Clifton, Walter 170	Collins, Eli ..... 31 Coombs, J. ..... 60 Crowther, Jas. 64	Churley, Fred... 63 Cusworth, Wm. 68	Cryer, Thos. ... 101 Chrystal, Geo. 108
D	Davis, Chas. ... 28 Drabble, Thos. 35 Dalton, Jabez... 86	Dean & Sons ... 17 Drew, Jane 20	Dixon, Alf. ..... 2 Dwight, Percy 56	Doulton & Co. 48 Dobson, Richd. 59 Dove, James ... 70	Dunbar, Jas. ... 42 Dudley, S. E. ... 73 Drudge, Geo. ... 105	Dyke, Wm..... 86 Dyne, Arthur ... 61 Drywood & Co. 111

ADDRESSING and DISPATCHING LETTERS.

When it is remembered that 5,700,000,000 postal packets pass through the post offices of the United Kingdom in one year, it cannot be said that the task of addressing them is of little importance. The Postmaster General finds it necessary every year to draw attention to the immense amount of unnecessary labour which might be saved to the Post-Office if the public would exercise more care. Most of the 33,000,000 packets which *cannot* be delivered annually, are the result of incorrect or insufficient addresses, but still more extraordinary is the large total of 400,000 packets *without any address whatever,* containing no less than £20,000 in various forms of money.

The addressing of envelopes and wrappers is a matter requiring great care and precision, for upon the manner in which it is done, depends the prompt delivery or otherwise of many important business and professional communications. The size of the writing, which should be unmistakably clear, must be proportioned to the dimensions of the envelope, the address commencing on the **left, about half-way down,** and concluding with the name of the town, county or country, which must always be written **boldly** in the right-hand bottom corner. The addresses for letters are generally copied, either from the inward letters or from an **ADDRESS BOOK,** which is simply an index, containing all the names and addresses of the correspondents of the firm. A more modern method is to record each name and address upon a separate **card,** so that when a change of address occurs a new card is prepared. The cards being kept in alphabetical order in a drawer, they are easy of reference. Changes of address must be recorded immediately they are known, in order to avoid the misdirection of letters. When a number of letters or circulars are to be delivered in the *same* town as they are posted, the name of the town may be omitted from the address, but such letters should be bundled and handed over the counter of the Post Office, so as to avoid unnecessary sorting. See "Reminders for the Junior Clerk," nos. 13, 14, 15.

ADDRESS BOOK.

NAME.	ADDRESS W.
Webster, David	*Bookseller, Morley, Leeds.*
Wilson, Edwin	*23 George Street, Halifax.*
Warden & Sykes	*206 Kirkgate, Wakefield.*
Woodhouse, Sir. James T.	*Solicitor, Hull.*
Wheatley, Dyson & Son	*12 New Street, Cardiff.*
Wood, James & Son	*16 Lombard Street, Newcastle-on-Tyne.*

SPECIMEN ADDRESSES.

Mr. David Webster, Jr.,
Bookseller,
MORLEY,
LEEDS.

Messrs. Austin & Gilston,
Market Street,
LIVERSEDGE,
Yorks.

Messrs. Alfred Sykes, Ltd.,
98 Bond Street,
BRADFORD.

The Empire Typewriter Co., Ltd.,
77 Queen Victoria Street,
LONDON, E.C. 4.

Edwin Wilson, Esq., F.I.S.T.,
23 George Street,
HALIFAX.

The Bank of Africa, Ltd.,
QUEENSTOWN,
CAPE COLONY.

The Secretary,
General Assurance Corpn., Ltd.,
General Buildings,
PERTH.

Mr. F. W. Armitage, Senr.,
Assessor of Taxes,
120 Ramsden Street,
HUDDERSFIELD.

Alfred Holmes, Jr., Esq.,
10 High Street,
HALIFAX,
NOVA SCOTIA.

Dr. Alexander Haig,
31 Upper Brook Street,
LONDON, W. 1.

Josiah Oldfield, Esq., M.D.,
Park Square,
BURSLEM,
B.O., STOKE-ON-TRENT.

Col. Jackson, J.P.,
The Laurels,
NEWTON-LE-WILLOWS.

W. Bruce, Esq., M.A., LL.B.,
Prospect House,
KILMORNA,
Co. Kerry.

Sir James T. Woodhouse,
Solicitor,
HULL.

Sir Joseph W. Pease, Bart., M.P.,
Palace of Westminster,
LONDON, S.W. 1.

Messrs. Fieldhouse & Wilson,
P.O. Box A. 27,
HUDDERSFIELD.

Messrs. Wheatley, Dyson & Son,
12 New Street,
CARDIFF.

Messrs. John Wood & Son,
16 Lombard Street,
NEWCASTLE-ON-TYNE.

The Manager,
Uskside Boiler Co., Ltd.,
NEWPORT, Mon.

Messrs. John Cooke & Co., Ltd.,
110 Fifth Avenue,
BOSTON, Mass.,
U.S.A.

The American Book Co.,
906 Market Street,
CHICAGO, Ill.,
U.S.A.

Messrs. S. Oppenheimer & Co.,
Boulcott Street,
WELLINGTON,
N.Z.

Monsieur Gustave P. Bureau,
88 Rue de Choiseul,
PARIS,
FRANCE.

Messieurs Ludwig et Cie.,
26 Rue Richelieu,
LYONS,
FRANCE.

Herrn A. Weber,
Karlstrasse 36,
MUNICH,
GERMANY.

Herren Schneider & Co.,
Leipzigerstrasse,
BERLIN,
GERMANY.

The **POSTE RESTANTE** is that department of the P.O. where letters and parcels remain **to be called for.** To accommodate **strangers** and **travellers,** whose address is uncertain, letters and parcels may be addressed to them at any Post Office, except Town Sub-offices, but no person may use the Poste Restante for more than three months. The following is the form of address for "Poste Restante" packets :—

Mr. Arthur Fieldhouse,
Poste Restante,
KINGUSSIE.

It is necessary to acquire a neat and rapid method of **making up** letters and enclosures, the folding being suited to the size of the cover, so as to present a tidy and well secured packet. A keen look out must be kept upon **enclosures,** which should be counted and placed in the proper envelope. Great watchfulness is needed to avoid dispatching an **unstamped** letter, or putting the letter for Jones into Brown's envelope. Such a mistake might lead to serious trouble.

It must not be forgotten that the receiver is required to pay a **surcharge** of *double postage* upon an unstamped letter, or *double the deficiency* of one insufficiently stamped; therefore care must always be taken to affix stamps of sufficient value to cover the cost of transmission, and thus save the addressee the annoyance experienced on being called upon to pay a surcharge on delivery.

Prepayment in money. Where there are large numbers of **inland** letters, post cards, or circulars, it is not necessary to waste time affixing stamps thereto. If the total postage amounts to £1 and upwards it can be paid in money at the Head Office of the principal towns between 10 a.m. and 4 p.m., except on Sundays and public holidays. The letters, &c., must be arranged with the addresses in the same direction, and made into bundles representing a postage of 5/- each, or, in the case of bulky packets, 2/6 each.

LATE-FEE LETTERS. At all Head Post Offices an official **Time-Table** is displayed showing the latest times of posting for dispatch with *ordinary postage,* and a later time with one *extra half-penny stamp,* for clearance up to five minutes of the actual dispatch of the mail. The difference between the *ordinary* and *extra* time varies from five to thirty minutes. In Leeds the *extra* time is ten minutes in nearly every case. Such letters should be posted in the ordinary box unless a **special box** is provided inside the P.O. to receive them; and the *extra stamp* should be affixed at the left-hand top corner, that it may be more noticeable. Letter Boxes for the receipt of late letters are affixed to all **Mail Trains** to which Travelling Post Offices (T.P.O.) or Sorting Carriages are attached. Letters posted in these boxes are *surcharged* a penny if the late fee is not prepaid.

Extract from the Time Table at the Dewsbury Head Office.

Towns.	With Ordinary Postage.	Letter with One Extra ½d. Stamp.	Letters can be Registered until
Batley, Mirfield	10 15	10 20	9 45
Barnsley, Hull, Leeds, Cheshire and Lancashire.....	11 0	11 5	10 30
Huddersfield, Bradford, London and Wakefield	12 30	12 35	12 0

The objects of the **POSTAGE BOOK** are (1) to provide a record of the dispatch of all postal packets and sometimes telegrams, for reference in case of doubt or dispute, (2) to afford a complete and convenient record of postal expenses, as well as to guard against the misappropriation of stamps, (3) to show the amounts chargeable to customers in respect of packages sent to them by Parcel Post. Some firms who are not very precise on such matters merely keep a **Stamp Book,** in which the *total* postal expenses of each day are entered.

The form of Postage Book given below is a typical one, consisting of **eight columns,** (1) Date, (2) Name of Addressee, (3) Address, (4) Kind of packet, (5) Where posted, (6) Time posted, (7) By whom posted, (8) Cost. There is no need to waste space in providing a Dr. money column for the amount received from the Chief Cashier. This should be an even sum, ranging from 10s. to £10, and its receipt should be recorded at the end of the Postage Book, which must be totalled and ruled off at least once a month. The Cashier should check the casting and actually see the stock of stamps before handing a further sum to the Junior Clerk, who ought to cast up the book *every* evening and check the stock of stamps. Count every bundle of letters, &c., and check them off with the entries in the Postage Book, so as to avoid dispatching any that may be unstamped. Some firms prefer to enter the cost of telegrams in the Petty Cash Book in preference to the Postage Book.

With the view to prevent pilfering, many large firms, immediately on purchasing sheets of stamps, have each stamp **perforated** with their initials.

POSTAGE BOOK.

Date. 1919.	*Name.*	*Address.*	*Kind of Packet*	*Where posted.*	*Time.*		*By whom.*	*Cost*
					a.m	*p.m.*		
Jan. 1	*Jones & Co..*	*Paris ....*	*L.*	*G.*		6	*A.B.*	2½
	50 Statements			*G.*		6	*A.B.*	2 1
,, 2	*L.&Y.Ry.Co.*	*Leeds ....*	*p.c.*	*N.S. P.B.*	9 15		*C.D.*	1
	100 Circulars	*(Removal)*		*G.*		6	*A.B.*	4 2
	John Kerr ..	*Hunslet ..*	*I.*	*G.*		6	*A.B.*	½
,, 3	*E. Wilson ..*	*Halifax ..*	*T.*	*G.*	9 30		*C.D.*	9
	A. J. Jones..	*Brighton..*	*P.*	*G.*		1	*A.B.*	9
	R. Smith ..	*York ....*	*unpaid letter surcharge*					3
	T. Brown ..	*Derby ....*	*R.*	*G.*		6	*A.B.*	3½
	H. Frost....	*Goole ....*	*L.F.*	*G.*		6	*A.B.*	2½
	N. Kaye	*Cardiff ..*	*S.*	*G.*		6	*A.B.*	½
	C. J. Sterne..	*Beeston ..*	*N.*	*G.*		6	*A.B.*	1

In the *fourth* column the abbreviations respectively indicate: Letter; Post Card; Invoice; Telegram; Parcel; Registered; Late-fee; Statement; Newspaper. In the *fifth* column the abbreviations respectively indicate: General Post Office; New Street Pillar Box.

TEST PAPER 3.

1. What is the principal cause of the inability of the Post Office to deliver millions of postal packets annually?

2. How should envelopes and wrappers be addressed? As an example write your own name and address.

3. From where are the addresses for letters usually obtained?

4. What does the expression, "Poste Restante" mean, and for whom is it intended? Illustrate your answer.

5. State the objects of an Address Book; also whether there is any advantage in using address cards.

6. In making up a letter what special care is needed, and why?

7. After the letter has been addressed and sealed, in what other respect must care be exercised?

8. What is a surcharge?

9. How may postage be prepaid other than by affixing stamps?

10. What is meant by a "Late-Fee" letter? Where can such a letter be posted?

11. State the objects of a Postage Book and name the columns necessary.

12. What precaution should the Junior Clerk take with the letters before dispatching them?

13. What is the duty of the Cashier before handing to the Junior Clerk money for additional stamps?

14. Name the method adopted by some firms for preventing the misappropriation of postage stamps.

15. How are enclosures generally indicated on letters?

16. What do the following abbreviations represent?—BO., Senr., Jr., Ltd., U.S.A., N.Z., N.S.W., M.A., M.P., Bart., J.P., U.K., P.O., P.T.O., p.c., p.m., a.m., c/o., Co., do., N.B.

17. What is a Postage Book? Give a specimen, and enter therein the following prepaid items. (a) Letter to Edwin Wilson, Halifax, 16½oz. (b) Registered letter to James Day, Leeds, 3½oz. (c) Newspaper to Captain Jessop, London, 4½oz. (d) 500 circulars as to admission of new partner. (e) Express letter to John Smith, 15½oz., 1½ miles. (f) Late-fee letter to Harry Frost, Goole, 4½oz. (b) Invoice to J. W. Heaps, Batley, ½oz. (h) Parcel to F. Hooper, Bradford, 9½lbs., so as to secure £40 in case of loss. (i) 2 packets of post cards, price 2/-. (j) Post Card to Globe Parcel Co., Dewsbury. (k) Newspaper to F. Meyer, Hamburg, 3½oz. (l) 110 Statements of account. (m) Newspaper to C. J. Sterne, Hunslet, 6½oz., in which a letter is enclosed. (n) Post card to M. Chevreul, Paris. (o) Reply post card to J. Winterman, Berlin. (p) Letter to Robert Lincoln, Washington, 3¾oz. (q) Letter to Thomas Washington, Lincoln, 3¾oz. (r) Receipted invoice to Charles Tupper, Toronto, ¾oz. (s) Registed letter to Cecil Rhodes, Kimberley, 1½oz. (t) Pattern of cloth to Charles Turner, Sydney, ¾oz. (u) Letter to Abbas Khan, Calcutta, 6¼oz. (v) 18 Typewritten circulars for delivery within the U.K.

18. Answer the following Advertisement:—

> INVOICE and Day Book Clerk wanted; neat writer and quick calculator; state age, wages and experience. N. 73.

INLAND POSTAL SERVICES.

The **POST OFFICE GUIDE,** which is published quarterly, may be obtained at any Post Office, price 6d. It is the official handbook on all matters connected with the Post Office, and a copy should be in every office, ready for consultation on all doubtful points. In its 768 pages it gives the regulations affecting inland, foreign and colonial correspondence; telegraphs and telephones; cash on delivery service; money and postal orders; savings bank; annuity and insurance business; the sale of stamps and ordnance maps, &c.; and also contains a list of all the Post Offices in the United Kingdom, the names of the principal streets in London, and of the inland, foreign and colonial mails, &c. For the supply of more detailed information as to the postal arrangements of large cities a **local guide** is usually published. The "Post Office Guide for Leeds and District" is published monthly, and may be had at any Post Office in the District, or from the postmen, price one penny.

Prohibited Articles. Nothing indecent, explosive, dangerous, filthy, or alive, (except bees), nor anything likely to injure the contents of the mails or any officer of the Post Office, nor an enclosure directed to another person, is allowed to be sent by post.

The **Letter Post** prepaid rate of postage is :—

Not exceeding **4 ozs.** in weight ..... **1½d.**
For every additional 2 oz. ..... **½d.**

The **dimensions** of a letter (whether inland or foreign) may not exceed **two feet** in length, **one foot** in width, or **one foot** in depth. Postage Stamps of the following values are now issued :—½d., 1d., 1½d., 2d., 2½d., 3d., 4d., 5d., 6d., 7d., 8d., 9d., 10d., 1/-, 2/6, 5/-, 10/-, £1.

Official Post Cards (stout and thin 4¼in. × 3¼in.) bearing a penny stamp, may be had at 1/- per packet of eleven. **Reply Cards,** bearing a penny stamp on each half, are sold in two-shilling packets.

Private Post Cards are more largely used than the official cards, but care must be taken that they are not dispatched without affixing a stamp to each one. They must not be larger than 5½ × 3½in., or smaller than 4in. × 2¾in., otherwise they will be surcharged as insufficiently paid *letters*. Nothing may be attached to any post card except the stamp, or engravings, drawings, photographs, and printed matter, or a gummed label bearing the address of the sender or addressee, and this must not exceed 2in. × ¾in. A post card is the only method of sending a written message for a penny, and must *not* be enclosed in an envelope.

The **"PRINTED PAPERS" POST** is only applicable under **2ozs.** in weight, the charge for **1oz.** being **½d.** and for **2ozs. 1d.** This is intended for the transmission of printed or written matter *not in the nature of a letter*, the limit of **size** being 2ft. × 1ft. × 1ft. Such packets must be posted either without a cover, or in an *unfastened* envelope, or in a cover which can be easily removed. Generally speaking the following may be sent by this post:—Prices Current, Market Reports, Orders, Invoices, Way-bills, Advice Notes, Bills of Lading, Debit and Credit Notes, Statements, Receipts, Circulars, Deeds, Agreements, Policies, Powers of Attorney, Proxy Papers, Voting Papers, Certificates, Licenses, Notices, Manuscript for press and printed proofs, Exercises and Examination Papers, printed Visiting, Invitation and other Cards, Sketches, Photographs, Maps.

Commercial documents may contain such phrases as "E. & O.E.," "Stocktaking," "To follow," With Compliments," "Copy," "Duplicate," "Overdue"; but written requests, such as:—"Send," "Forward," "Cheque will oblige," are not permissible.

Typewritten Circular Letters are *not* admissible by the book-packet post unless (*a*) they are handed over the counter at a Head or Branch Post Office; (*b*) the special attention of the officer is called to their nature; (*c*) at least 20 copies are posted at the same time.

Printed paper packets are **not returnable** unless they bear on the outside or cover a request to that effect, in which case a second postage must be paid by the sender. "*In case of non-delivery please return to Arthur Fieldhouse, P.O. Box A. 27, Huddersfield.*"

NEWSPAPERS can only be transmitted by Inland Post, at the special rate, provided that the proprietor has duly *registered* the **title** at the *General Post Office*, for which an annual fee of 5/- is payable. No publication will be so registered unless (1) it contains news or articles relating thereto, (2) it is printed and published in the United Kingdom at least once a week, (3) its full title and date of publication are printed at the top of the first page.

The prepaid **rate of postage** on each newspaper, including any supplement thereto, whether posted singly or with others is ½d. for every **6oz.**, the limit of **weight** being **2lbs.**, and the maximum dimensions 2ft. × 1ft. × 1ft. It will be seen that while the postage on a newspaper weighing 1lb. 15½oz. is only 3d., the postage on a monthly magazine of the same weight would be 8d., or by parcel post 6d. Newspapers whose titles are *not* registered at the G.P.O. are subject to the same rate of postage as other printed packets under 2ozs., and thereafter to the letter rate.

All newspapers must be posted either *without a cover* or in a cover *open at both ends*, and should be so folded or covered as to admit of the title being readily inspected. Unless letter postage is paid no letter or article may be enclosed in a newspaper, and no message or other mark is allowed to be written

thereon or upon the cover, except " with compliments " ; names and addresses of sender and addressee ; a request for a return in case of non-delivery ; and a reference to any place in the newspapers to which the attention of the addressee is directed.

PARCEL POST. In order that a packet may be sent by Parcel Post it must be *presented at the counter of a Post Office,* or handed to a postman, for transmission as a parcel, and should bear the words " Parcel Post," written in the left-hand top corner. It is also desirable that every parcel should bear the name and address of the sender on the cover, either on a printed label, or written in the left-hand bottom corner, so as to be quite distinct from the address to which the parcel is being sent. On account of the liability of tie on labels to become detached they should not be used unless absolutely necessary. Parcels are neither accepted for transmission nor delivery on Sundays.

Parcels addressed to the **Channel Islands,** but not to the Isle of Man, are subject to the Customs Laws of the U.K., and the contents are therefore required to be declared on the Customs Declaration Form A, as shown on page **65**.

The **rates of postage** on parcels are shown on the inside of the cover of the book. *Prepayment* of postage is *compulsory*, the maximum weight is 11 lbs., and the size allowed is :—

Greatest Length - - - - -	3ft. 6in.
Greatest Length and girth combined -	6 ft.

A parcel measuring 3ft. 6ins. in its longest dimensions may measure as much as 2ft. 6ins. in girth. A shorter parcel may be thicker ; thus, if it measured no more than 3ft. in length, it may measure as much as 3ft. in girth, *i.e.,* round its thickest part.

Eggs, Fish, Meat, Fruit, and Vegetables can be sent by Parcel Post *only*. Parcels of Eggs should always be marked " Eggs, Fragile—with care," those containing fish and meat should be marked " Perishable," whilst fruit should be marked " Fruit—with care " ; all being so packed as to prevent the contact of their contents with other parcels, and the leakage of any juice or moisture.

Undelivered parcels are returned to the sender free of charge. Those addressed to a Post Office " to be called for " are kept three weeks before being returned.

Compensation for the loss of an **Unregistered Inland Parcel** will be given up to **£2** without payment of any fee beyond the postage, provided that the parcel was properly posted, and that a **Certificate of Posting** (as shown on the next page) was obtained at the time of posting, and is produced when required. A receipt should be obtained for every parcel, either on a certificate of Posting, which may be had free at any Post Office, or in a Parcel Post Register or an ordinary Parcel Book. **No** compensation is given in respect of money of any kind sent by Parcel Post, whether registered or not, or in respect of jewelry sent by Parcel Post unregistered.

PARCEL POST REGISTER.

Date 1919.	*Name and Address.*	*Weight.*		*Postage.*		*Post-master's Signature.*	*Official Date Stamp.*
		lbs.	*ozs.*	*s.*	*d.*		
Sep. 4	*H. K. Henderson, 9 Park Lane, Leeds*	*2*	*13*		*6*	*H.M.*	*4 Sept., 1919.*
,, 5	*Seth Whiteley, 37 Surrey St., Sheffield*	*1*	*9*		*6*	*E.B.C.*	*5 Sept., 1919.*
,, 6	*Peter Machin, Colquitt St., Liverpool*	*4*	*8*		*9*	*J.E.T.*	*6 Sept., 1919.*

INLAND PARCEL POST.

Certificate of Posting of an Unregistered Parcel.

A Parcel prepaid *9d.* and addressed as under * has been posted here this day—

A. J. Jones, Esq.,
St. George's Place,
BRIGHTON.

Date Stamp.

.....
(Postmaster's Signature.)

* The address should be entered in full by the sender. The Department will accept no responsibility if, in the event of miscarriage it should be found impossible, owing to the incompleteness of the address furnished to trace the parcel.

TEST PAPER 4.

1. What publications give information as to postal services?
2. Are there any restrictions as to what may be sent through the post?
3. Name the prepaid rates of postage for inland letters, post cards and newspapers.
4. What is the size of the largest letter accepted at the P.O.?
5. Give the minimum and maximum sizes of a post card and state whether it is allowable to *attach* anything thereto.
6. What are the principal things that may be sent under the regulations of the *Printed Papers Post,* and how must they be sent?
7. If a letter be enclosed in an open envelope bearing a half-penny stamp what would be the result?

8. Give some of the phrases permissible on commercial documents sent by the half-penny post.

9. State the regulations to be observed when sending typewritten circular letters by the halfpenny post.

10. What is the rate of postage for newspapers, and what is the maximum weight?

11. How should newspapers be posted, and what would be the result if a letter were included in a newspaper (prepaid ½d.) the weight of which was 5 ounces?

12. State under what circumstances postal authorities return undelivered (*a*) letters, (*b*) halfpenny packets, newspapers and p.c.

13. What are maximum dimensions for printed paper packets and newspapers?

14. What is the difference between posting a letter and a parcel? What is the size and weight of the largest parcel accepted at the Post Office?

15. In addition to the name and address of the addressee, what should be shown on the cover of a parcel?

16. Name four articles which may be sent by parcel post only, and show how a parcel should be marked containing articles (*a*) easily broken (*b*) liable to rapid decay.

17. How long are parcels kept at a post office when addressed "to be called for," and what happens if the parcel is not called for?

18. What is the limit of compensation in respect of the loss of an *unregistered* inland parcel, and what is necessary to secure such compensation?

19. To secure compensation in case of loss, by what post must money or jewelry be sent?

20. Sketch a Parcel Post Register containing six entries.

21. How or by what post would you send a packet weighing 17½ oz., and what would the postage be?

22. On pages 15, 33, 62, 95, 106 of the Letter Book you will find copies of letters to Kaye & Co. Show the cross-references.

23. How may you obtain 5 copies of the same letter on loose sheets?

24. How may papers and documents be fastened together?

25. The University Tutorial College is in Red Lion Square, London, W.C. Show how you would address an envelope to the principal, Robert Jones, M.A.

26. What is the amount payable for inland postage in each of the following cases:—(*a*) a book weighing three ounces; (*b*) a newspaper registered at the G.P.O., weighing 28½ oz.; (*c*) a letter weighing 99 oz.; (*d*) an invoice weighing a ¼ oz.?

27. Answer the following advertisement:—

> AUDIT Clerk, age 18-21, WANTED; shorthand desirable; state experience and salary. R. 4 Daily News.

SUPPLEMENTAL POSTAL SERVICES.

REGISTRATION AND COMPENSATION. With the view (1) to provide against the loss of, or damage to, valuable articles or money sent by post, as well as (2) to assure the delivery of a letter, document or article regarded as important, although of little or no value, special provision is made for receiving, **over the counter,** such postal packets (whether letters, post cards, circulars, newspapers or parcels) on payment of a registration fee, ranging from the ordinary fee of 2d. to 1/10; a receipt or *Certificate of Posting* being handed to the sender by the officer.

The **fees** payable over and above the postage, and the respective limits of compensation are as follows:—

Fee.	Limit of Compensation.	Fee.	Limit of Compensation.	Fee.	Limit of Compensation.
d.	£	s. d.	£	s. d.	£
2	5	0 9	140	1 4	280
3	20	0 10	160	1 5	300
4	40	0 11	180	1 6	320
5	60	1 0	200	1 7	340
6	80	1 1	220	1 8	360
7	100	1 2	240	1 9	380
8	120	1 3	260	1 10	400

REGISTERED LETTER ENVELOPES, made of paper and linen, bearing a 3½d. stamp embossed on the flap, for the payment of registration fee 2d. and postage 1½d., are sold in four sizes, 5¼in. × 3¼in. to 11½in. × 6in. from 4d. to 5½d. each. The use of these envelopes is **compulsory** when remitting any form of **money.**

Every packet to be registered (except those subject to the halfpenny rate) must be **properly packed,** all the joinings of string being fastened with **wax** or lead. The cover must be marked in the bottom left-hand corner, "**Registered,**" and when the fee exceeds 2d. the amount must be added thus: "Registered 4d." If it is desired to secure **compensation** in case of **damage,** the cover must also bear, above the address, the words **"Fragile, with care."**

When **several packets** are sent by the same person for registration, they should be accompanied by a **list** (in duplicate) of the addresses, one copy to be retained at the Post Office, and the other, when signed and stamped by the officer, to be returned.

Compulsory Registration (in respect of which no compensation is ever given) takes place when a packet (1) is found to contain coin or jewelry (2) marked "Registered," is found in a letter box (3) is found *open* in the post, or cannot be delivered, and which contains an uncrossed postal order in which the name of the payee has not been inserted, a cheque or dividend warrant not crossed or made payable to order, a bank-note, postage stamps, or any article (other than coin or jewelry) of a value in each case

exceeding 10/-. The fee chargeable on delivery of classes 1 and 2 is fourpence (less any amount prepaid for registration) and for class 3, twopence.

Enquiry as to the alleged **loss** or **non-delivery** of a registered packet should be made upon a special form to be obtained at the P.O., accompanied by a fee of 2d. If it is found that the Post Office is in fault the enquiry fee will be refunded. In the case of **damage** or **loss of contents** the packet should be retained for inspection. If complaint be made that the contents of a packet have been abstracted, the cover must be produced. In the case of Bank-notes, Money and Postal Orders, Cheques, Bonds, and similar documents, particulars sufficient for their identification, such as their numbers, dates, places of issue, must be furnished.

No compensation will be given in respect of the loss of **money** of any kind (coin, notes, orders, cheques, stamps, &c.) unless it is enclosed in one of the official **Registered Letter Envelopes,** sold by the Post Office, and the packet is tendered for transmission by Registered *Letter* Post. The compensation given in respect of **coin** is limited to £5. **No** compensation is given for **damage** to a packet containing eggs, soft fruit, any liquid, or semi-liquid, or articles of an exceptionally fragile nature.

Advice of Delivery. With the object of making "assurance doubly sure," the sender of a *registered* packet may obtain an acknowledgment of its delivery by paying at the time of posting, or subsequently, a **fee** of **2d.** in addition to the postage and registration fee. The sender must affix the stamps in payment of the fee to an **Advice Form** provided for the purpose, and also enter thereon both his own name and address, and the name and address of the addressee. If the packet be delivered in due course the sender will receive by return of post at his own address, the said form of advice signed either (1) by the addressee or other actual recipient of the packet, or (2) by the postman who delivered it.

EXPRESS DELIVERY. The ordinary delivery of letters and parcels does not always satisfy the urgent demands of business, in which case one of the *three* speedier methods of the Express Service may be used.

1. The Local Express Service, by Special Messenger all the way, is the most popular and rapid service, and is performed on **weekdays** only, except in London, where there are special arrangements and fees for delivery on Sundays. Every packet must be sufficiently addressed and *handed over the counter,* or to an officer authorised to receive it. The word *Express* must be boldly written in the top left-hand corner of the cover.

The Express **fee** for **every mile** or part of a mile from the Post Office of delivery to the address is **3d.,** which *includes* the charges for any **public** conveyance, *e.g.,* omnibus, tramcar, or railway. On packets weighing **more than 1lb.** a **weight fee** of **3d.** is also charged. The fee must be *prepaid* in stamps, to be affixed to a form provided by the Post Office. Ordinary postage is not charged. If the sender desires, or it is otherwise necessary, that a cab or other special conveyance be used throughout the journey, the *actual fare* or cost of the conveyance must be paid in *addition* to the mileage fee, but no weight fee is chargeable in such a case.

When **several packets** are tendered by one sender for delivery by the same messenger (who is limited to ten packets) at different addresses, or to different persons at the same address, the Express Fee of 3d. per mile will be charged for the full distance to be traversed by the messenger up to the delivery of the last packet, and an additional fixed charge of 1d. for each of the other packets. A **reply** is charged for at the same rates, unless it is for an address on the messenger's homeward route or within half a mile of his office, in which case only half the mileage fee is charged.

2. **Distant Express Service,** by Special Messenger, *after* transmission by ordinary post. When a correspondent wishes to hasten the delivery of a packet addressed to a place beyond the delivery of the place where it is posted, he must write boldly in the top left-hand corner of the cover *Express Delivery,* and must also mark the packet with a broad perpendicular line from top to bottom, both on front and back. In *addition* to ordinary postage, the same express fees are chargeable as for Local Service, the distance being reckoned from the office of delivery. The ordinary postage, as well as the express fee must be prepaid by means of stamps *affixed to the packet*; but any deficiency would be demanded of the addressee. For instance, suppose that Mr. Smith, of Leeds, at 3 p.m. some day, wishes to send Mr. Nixon, of Manchester, a letter or document, which it is important should reach the latter quickly. On consulting the Time Table, showing the dispatch of mails from Leeds, it will be found that there is a mail to Manchester, say at 3-30 p.m., whereupon Mr. Smith makes up his letter in accordance with the above instructions and posts it in the ordinary way before 3-30 p.m. On the mail bag being opened at the Head Office in Manchester, the special marking of the envelope attracts the attention of the sorter, who immediately dispatches a special messenger with the letter to Mr. Nixon's office, instead of waiting for the ordinary city delivery. If this packet were under 1oz. and Mr. Nixon's office within one mile of the Head Post Office, the total postage would be 4d.

There is **no** ordinary **delivery** of **letters** in **London** on **Sundays,** but letters will be delivered there on Sunday mornings, provided that the *special* express fee (calculated from the General Post Office) is prepaid, and that the cover is marked *Express Delivery on Sunday,* in addition to the thick perpendicular lines on both sides.

3. **Advance delivery of letters,** &c. Any person may have his letters and parcels delivered by special messenger in advance of the ordinary postman's delivery, on making application on a form provided for the purpose, and *prepaying* the usual express fee of 3d. a mile on the first packet, and a further fixed charge of a penny for every additional ten or less number of packets; the latter fees being payable on delivery. If there should be no correspondence for the applicant a messenger will be sent to inform him of the fact, and the fee of 3d. retained to pay for his service.

RAILWAY LETTERS. Single inland post letters, **not exceeding 1 oz.** in weight, are accepted by most railway companies to be sent by the next available train or steamship. Such letters may either be called for at the station of address, or will be transferred by a railway official to the nearest post office letter box for delivery by postman. If the letter is to be called for it should be addressed to the parcel office of the station, and also, if it is desired that it should be delivered as an express letter, a telegram should be sent to the nearest telegraph office requesting that a messenger may be sent to meet the letter. If it is to be posted, the words *To be posted on arrival* should be written below the name of the station. Railway letters must be taken to a **Passenger Station** and tendered at the parcel booking office. The **cost** of transmission of every letter is **3½d.**, of which 1½d. is paid by means of an ordinary **postage stamp** affixed to the cover, the railway fee of **2d.** being paid to the booking clerk in cash. (*a*) Example of a Letter addressed to a Railway Station to be called for :—

Alfred Graham, Esq.,
Parcel Office,
YORK STATION.
(to be called for.)

(*b*) Example of a letter addressed to the actual residence of the addressee to be transferred to the letter box nearest to the station :

Alfred Graham, Esq.,
51 Coney Street,
YORK.
To York Station.
(To be posted on arrival.)

REDIRECTION. Whenever a change of address takes place either by reason of a permanent removal or a temporary absence for holidays, &c., instructions should be given as to the disposal of all letters. Application should be made to the local postmaster, or to the postman, for a printed form, upon which to give the necessary notice for redirection, which is effected free of charge for the first year, but for the second and third years a fee of 1/- a year is charged. Any kind of postal packets, *except parcels,* may be redirected to the same addressee at another address either by an officer of the Post Office, or by an agent of the addressee, after delivery; but in the latter case the packet must be reposted *not later* than the day after delivery (not being opened or tampered with), otherwise it will be liable to be

charged at the prepaid rate. **Registered packets,** on being re-directed, must *not* be dropped into a letter box, but must be handed in at a Post Office.

Parcels, when redirected, are liable to an *additional postage* at the prepaid rate for each redirection, except when the original and the second address are both within the delivery of the same Post Office. Separate notices should be filled up if it is desired that parcels and telegrams should be redirected.

UNDELIVERED PACKETS from whatever cause, principally the insufficiency of the address, or the removal of the addressee, are dealt with as follows :—

1. All **Letters** are returned to the sender free of charge, those bearing his full name and address on the cover being sent direct and unopened; but other letters are first sent to the Returned Letter Office, where they are opened, and returned if possible.

2. **Post Cards, Printed-paper-packets,** and **Newspapers,** are *not* returned unless they bear, on the covers, a request for their return, in which case a *second postage* must be paid by the sender.

3. All **Inland Parcels** are returned to the sender free of charge where the name and address of the sender can be ascertained either from the cover or an examination of the contents. Other parcels are liable to be disposed of three months after the date of arrival at the Returned Letter Office.

TEST PAPER 5.

1. State the principal reasons for registering postal packets.
2. What is the difference of procedure between the posting of an unregistered and a registered letter?
3. If money be sent by post what should be done to secure compensation in case of loss, and what is the limit for the loss of coin?
4. How must a registered packet be marked so as to secure compensation for loss or damage, and if fastened with string how must this be secured?
5. If 6 registered letters are handed in at the P.O. at the same time, what must be handed to the Official besides such letters?
6. Under what conditions does compulsory registration take place? What are the surcharges?
7. In case of loss or non-delivery of a registered packet, what is the mode of enquiry?
8. In order to secure compensation for the loss of Bank-Notes, duly registered, what information must be supplied to the P.O.?
9. For what purpose is the use of a registered letter envelope compulsory?
10. Is compensation given in respect of *damage* to a package containing eggs, soft fruit or liquid?
11. What must be done when posting a letter for which a receipt is required from the person actually receiving it, and what would the postage be on such a letter weighing 3 oz.?

12. What compensation could be secured in case of the loss of a packet containing 10 sovereigns, (*a*) if it were registered? (*b*) if it were unregistered?

13. What is it necessary to do in order to secure compensation in respect of *damage* to the contents of a registered letter?

14. Explain the Local Express Service.

15. How may a letter be sent to another town so as to ensure its delivery to the addressee immediately on its arrival at the office of delivery? What would be the cost of such a letter weighing 5 oz.? What special regulation would have to be observed in addressing the envelope?

16. How may the delivery of a letter be secured in London on Sunday morning?

17. What is meant by the "Advance delivery of Letters?"

18. What is the advantage of sending a letter by railway? What would be the cost and how would the amount be paid?

19. Show how you would address a railway letter to Seth Whiteley, Esq., 37 Surrey Street, Sheffield, to be posted on arrival.

20. In case of temporary or permanent closing of premises what should be done to secure the delivery of letters at the new address?

21. Within what period may a letter be redirected and posted without additional postage? What special precaution should be observed with reference to a registered letter?

22. What special regulation affects the redirection of parcels?

23. How does the P.O. deal with undelivered (1) Letters, (2) Post Cards, (3) Book-packets, (4) Newspapers, (5) Parcels?

24. Write out a fair copy of the following letter, putting the same in proper form and style:—To Field & Co., Wellington, N.Z. on 20th January 1917 from Market Square, Birmingham. We beg to own the due rec't of yr favour of 18th inst. fr which we are obliged. In refce to yr inquiry we beg to inform you that it will be 3 to 4 weeks before the Ironware is ready for ship't. In order to save time be kind enough to prepare ship'g instructions for the 10th to the 14th Feby and forward same to us when we shall at once acquaint you as to the position of the order. We are sorry we cannot promise an earlier delivery. We are Gentn yrs per the Midland Hardware Co Ld. F. Gleave Secy.

25. Write a letter in reply to the following advertisement:—

> YOUTH, about 14, Wanted, to learn shorthand, typewriting, book-keeping, business methods, in return for services (no salary); splendid chance.—Apply, in own handwriting, B 7, "Examiner" Office, Wakefield.

FOREIGN and COLONIAL PARCEL POST.

PRINCIPAL COUNTRIES. For details see pages 778 to 845 in the current *Post Office Guide*.	Customs Declaration Form.	Limits of Size. Length, Breadth or Depth.	Limits of Size. Length and Girth Combined	Rates of Postage not exceeding 3 lbs.	7 lbs.	11 lbs.
		Feet	Feet	s. d.	s. d.	s. d.
Algeria	C2	2	4	1 4	1 8	2 0
Argentine Republic	C1	2		2 0	3 0	4 0
Australia (First lb. 1/-)	A	3½	6	6d. per	lb. after	first.
Austria-Hungary	C1	3½	6	1 4	1 8	2 0
Bahamas	A	3½	6	1 0	2 0	3 0
Barbados	A	3½	6	1 0	2 0	3 0
Belgium	C2	3½	6	1 0	1 4	1 9
Bermuda	A	3½	6	1 0	2 0	3 0
Brazil (limit 6½lbs.)	C1	2	4	3 6	4 0	
British East Africa	A	3½	6	1 0	2 0	3 0
British Guiana	A	3½	6	1 0	2 0	3 0
British Honduras	A	3½	6	1 0	2 0	3 0
Bulgaria	C2	3½	6	1 11	2 3	2 7
Canada	A	2½	6	1 0	2 0	3 0
Ceylon	A	3½	6	1 0	2 0	3 0
Chile	C2	3½	6	2 0	3 0	4 0
China (British Agencies)	A	3½	6	1 0	2 0	3 0
Denmark	C1	3½	6	1 0	1 4	1 7
Dutch East Indies	C2	3½	6	2 6	3 3	4 0
Egypt	C2	3½	6	1 0	1 9	2 6
France	C1	2		1 0	1 4	1 7
Germany	C1	3½	6	1 0	1 4	1 7
Gold Coast Colony	A	3½	6	1 0	2 0	3 0
Greece	C2	2	4	2 4	2 8	3 0
Holland	C2	3½	6	0 10	1 2	1 6
Hong Kong	A	3½	6	1 0	2 0	3 0
India	A	3½	6	1 0	2 0	3 0
Italy	C1	2		1 6	1 10	2 2
Jamaica	A	3½	6	1 0	2 0	3 0
Japan	C1	3½	6	2 0	3 0	4 0
Madeira	C1	3½	6	1 4	1 8	2 0
Malta	A	3½	6	1 0	2 0	3 0
Mauritius	A	3½	6	1 0	2 0	3 0
Mexico	C2	2	4	2 3	2 10	3 3
Newfoundland	A	3½	6	1 0	2 0	3 0
New Zealand	A	3½	6	1 0	2 0	3 0
Norway	C1	3½	6	1 0	1 4	1 7
Persia	C1	3½	6	2 0	3 0	4 0
Peru	C1	3½	6	2 0	3 0	4 0
Portugal	C1	3½	6	1 4	1 8	2 0
Rhodesia	A	3½	6	1 4	per lb.	
Roumania	C5	3½	6	2 4	2 8	3 0
Russia in Europe	C2	3½	6	1 9	2 1	2 5
St. Vincent (West Indies)	A	3½	6	1 0	2 0	3 0
Serbia	C2	3½	6	2 2	2 6	2 10
South Africa	A	3½	6	0 9	per lb.	
Spain	C3	3½	6	1 6	1 10	2 2
Straits Settlements	A	3½	6	1 0	2 0	3 0
Sweden	C1	3½	6	1 2	1 10	2 6
Switzerland	C1	3½	6	1 4	1 8	2 0
Trinidad	A	3½	6	1 0	2 0	3 0
Turkey	C1	3½	6	2 4	2 8	3 0
United States	A	3½	6	1 3	2 3	3 3
Zanzibar	A	3½	6	1 0	2 0	3 0

FOREIGN AND COLONIAL POST.

The **LETTER POST** prepaid rate of postage to all **British Possessions, Egypt,** and the **United States** of **America,** also the British Post Office Agencies in China and Morocco, is **1½d.** for the first oz. and **1d.** for each succeeding oz.

The rate to **Foreign Countries** is **2½d.** for the **first oz.** and **1½d.** for each **additional oz.** Limit of size 2ft. × 1ft. × 1ft.

Private Post Cards, bearing a penny stamp, as well as Official Penny Post Cards, may be sent to any destination outside the U.K.

PRINTED and **COMMERCIAL PAPERS** are largely identical with the class included in the Inland Book Post, and when sent open, the prepaid **rate** on **Printed Papers,** for all places abroad is **½d.** for **2ozs.** and on **Commercial Papers, 2½d.** for the **first 10 ozs.,** or under, and **½d.** for **2 ozs.** thereafter. Commercial Papers *not exceeding 1 oz.* in weight may, of course, be *fastened* in an envelope without increasing the postage. The limits of **dimension** and **weight** are for :—

	Length.	Width and Depth.	Weight.
British Possessions and non-union countries	2 ft.	1 ft.	5 lbs.
Foreign Countries in Postal Union	1½ ft.	1 ft.	4 lbs.
If in the form of a roll	2½ ft.	4 ins. diameter.	

Newspapers and Magazines may be sent to **Canada** and **Newfoundland** at the rate of 1d. per lb., limit 5 lbs.

Commercial Papers comprise all papers or documents written or drawn wholly or in part by hand, documents of legal procedure, Deeds drawn up by public functionaries, copies of or extracts from Deeds under private seal written on stamped or unstamped paper, Way Bills, Bills of Lading, Invoices, and other Documents of a mercantile character, documents of Insurance and other public Companies, all kinds of Manuscript Music, the Manuscript of Books and other literary works, and pupils' exercises with correction, but without any comment on the work, and other papers of a similar description.

The **SAMPLE POST** is restricted to (*a*) bonâ fide trade samples or patterns of merchandise *without* saleable value, and (*b*) natural history specimens, dried or preserved animals and plants, geological specimens, and scientific specimens generally when sent for no commercial purpose. Goods for *sale,* however small the quantity, cannot be forwarded by this post. Samples must be marked as such on the cover, must be so packed as to be easy of examination, and, when practicable, must be sent in covers open at the end.

The prepaid **rate** of postage is **1d.** for the first **4 ozs.** and **½d.** per **2 ozs.** thereafter.

The limits of **dimensions** and **weights** are for :—

	Length.	Width.	Depth.	Weight.
British Possessions and non-union countries	2 ft.	1 ft.	1 ft.	5 lbs.
Foreign Countries in Postal U.	1 ft.	8 ins.	4 ins.	12 ozs.
In the form of a roll	1 ft.	6 ins. diameter.		

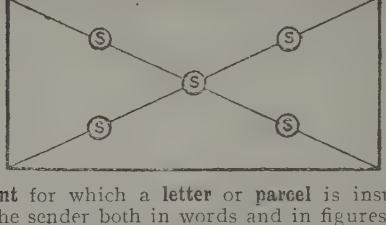
PARCEL POST. All parcels for places abroad must be very strongly packed and securely fastened. As the rates of postage, limits of dimensions and weight, as well as other restrictions, vary with each country, they may only be ascertained on reference to the current issue of the *Post Office Guide,* which devotes 69 pages to these details.

Most of our Colonies, as well as Foreign Countries, raise a portion of their Revenue by means of Taxes (known as Customs Duties) on goods imported into their respective countries. The list specifying these duties is known as a **Tariff.** So that the Duties payable in respect of the contents of parcels sent abroad may be properly charged and collected, it is necessary that the character, weight and value of the contents be stated on the Customs Forms provided, free of charge, at the Post Office. Undervaluation of the contents, or failure to describe them fully may result in seizure of the parcels. The Duty is usually collected from the addressee on delivery, except in the case of parcels sent under special arrangements. There are two **Forms** of **Customs Declaration** in use: -(1) an **adhesive form** marked **A,** intended to be *affixed* to the covers of parcels for British Colonies and Possessions, the Channel Islands, and a few Foreign Countries; and (2) a **non-adhesive form,** marked **C,** which is used in the case of parcels for all other Foreign Countries. Several copies are sometimes needed of Form **C,** which must *always* be accompanied by the use of one copy of another non-adhesive form called a "**Despatch Note.**" The first column on page 61 shows the number of copies of Form **C** required.

Redirection of all postal packets sent abroad, to countries within the Postal Union is free, except for parcels, which are always subject to additional postage. **Undelivered** packets are subject to the same regulations as inland packets, except parcels, which are always subject to additional postage on being returned to the sender.

Registration of all postal packets, *except parcels,* may be effected, subject to the varying limitations stated in the *Post Office Guide,* the *only* registration **fee** being **2d.** **Advice** of **Delivery** of a registered packet may be obtained on payment of an **additional fee** of **2½d.** Except as the result of tempest, shipwreck, earthquake, or war, &c., certain Colonial and Foreign postal authorities undertake to pay an indemnity of **50 francs** when a registered packet can be proved to have been totally **lost.**

INSURANCE of **letters** containing **money** or securities may be effected to most places abroad, thus giving all the safeguards of the registration system; and subject to the regulations in force, compensation will be paid if they or any of their contents are lost in the post. **Objects** of **value** which cannot be sent in insured letters may, in most cases, be forwarded by *insured* **Parcel.** Every insured letter must be **sealed** with **wax** in the manner shown on the next page, and every insured **parcel** must be sealed with a distinctive private device in either **wax** or **lead,** all the seals being of the same kind of wax. Seals must not only be placed over each flap or seam of the envelope or cover, but also on the joinings and ends of the string where they are tied.



The **amount** for which a **letter** or **parcel** is insured must be written by the sender both in words and in figures at the top of the address side of the cover. The amount must also, in the case of a parcel, be entered on the *Despatch Note*, if one is used. Over-insurance is an obstacle to compensation. The sums payable for insurance, including registration and the limits, are as follows :—

Fee.	Limit.	Fee.	Limit.	Fee.	Limit.	Fee.	Limit.
s. d.	£	*s. d.*	£	*s. d.*	£	*s. d.*	£
0 4	12	1 10	120	3 4	228	4 8	324
0 6	24	2 0	132	3 6	240	4 10	336
0 8	36	2 2	144	3 8	252	5 0	348
0 10	48	2 4	156	3 10	264	5 2	360
1 0	60	2 6	168	4 0	276	5 4	372
1 2	72	2 8	180	4 2	288	5 6	384
1 4	84	2 10	192	4 4	300	5 8	396
1 6	96	3 0	204	4 6	312	5 10	400
1 8	108	3 2	216				

Insured for fifteen pounds,
(£15) 375 francs.

Monsieur Gustave P. Bureau,

88 Rue de Choiseul,

PARIS,

FRANCE.

The insurance fee and full postage must be prepaid by means of affixing to the cover the *fewest* possible number of postage stamps, a *space* being left between the stamps. The usual *Certificate of Posting* must be obtained.

Compensation for the loss or damage of **uninsured parcels,** in no case exceeding **£1,** will be paid by the Postmaster General in respect of parcels addressed to certain British Possessions and Foreign Countries, when such loss or damage takes place while the parcels are in his custody.

Express Service of letters, prepaid **3d.,** and of parcels prepaid **5d.,** both in addition to the postage, may be effected in certain countries named in the *Post Office Guide.*

C.O.D. CASH ON DELIVERY SERVICE. There exists between the **United Kingdom** and certain **British Possessions** and **Egypt,** an arrangement whereby parcels, insured letters, and registered packets of all kinds, may be sent abroad, the **value** of the contents being **collected** from the addressee on **delivery** and transmitted by the Post Office to the sender. A full list of the places to which this system applies is given in the Post Office Guide. The **amount** to be collected under the C.O.D. system is called the **Trade Charge,** which must not exceed £20, and in the case of a parcel must not exceed the amount of the declared value, together with the postage and the fees payable thereon. The sender of a C.O.D. packet must (1) write on the cover of the packet the name and address of the addressee; (2) also write thereon the name and address of the sender; (3) write on the cover the amount in British Currency of the Trade Charge in figures and words, and the name of the office at which the Money Order in payment of the Trade Charge is to be drawn; (4) fill up a **Request Form,** upon which he must prepay a special fee by affixing 2d. in postage stamps; (5) hand the packet over the counter of the Post Office, and obtain a **Certificate** of **Posting,** which must be given up when the M.O. is presented for payment, unless cashed through a bank.

The **Trade Charge** in respect of a parcel to Egypt, weighing, say, 10 lbs., containing goods of the value of £1, would be made up as follows:—Goods £1; Postage 2/6; P.O. Commission 7d.; Form Fee 2d.; Total **£1 3 3,** which is called the **Trade Charge.**

ADHESIVE CUSTOMS DECLARATION FORM A.

Date Stamp.

A

P. P. No. 20. F. & C.P.P. No. 1.

PARCEL POST.

(To be used for parcels to and from the Channel Islands, also for Colonial and certain Foreign Parcels).

CUSTOMS DECLARATION.

Place to which the parcel is addressed.

Cairo, Egypt.

Route Viâ

Gross Weight of Parcel.	CONTENTS. The nature and value of the contents should be accurately stated. Undervaluation of the contents, or failure to describe them fully, may result in the seizure of the parcel.	Net Weight Contents. lbs.	oz.	Value as Merchandise. £	s.	d.
0lbs. 15oz.	*Commercial Textbooks*.....	10	2	1	0	0

Date Stamp of Office of Exchange.

(For use of Post Office of Exchange only).

Parcel Bill No..... No. of Rates prepaid. .....

Entry No.....

Signature and Address of Sender.

Arthur Fieldhouse,
P.O. Box A. 27,
Huddersfield.

C

TEST PAPER 6.

1. What is the rate of postage to (*a*) British Possessions, (*b*) Foreign Countries?

2. State the postage payable to foreign countries on (*a*) Post Cards, (*b*) Printed papers, (*c*) Commercial papers, (*d*) Sample Post.

3. What are the dimensions for foreign and colonial letters?

4. What is the postage on a letter, weighing 2½ oz., to (*a*) New York, (*b*) Pretoria, (*c*) Paris, (*d*) Cairo?

5. What is meant by (*a*) Commercial papers, (*b*) Sample post?

6. How must foreign and colonial parcels, when insured, be packed? To what must reference be made to ascertain the rates of postage, limits of dimensions, and weight, &c.?

7. In handing over to the Post Office, what must be attached to or accompany a foreign or colonial parcel?

8. What are the conditions for redirection of foreign and colonial postal packets?

9. Upon what foreign and colonial postal packets may registration be effected, and what is the fee?

10. May Advice of Delivery of a foreign and colonial packet be secured, and, if so, for what fee?

11. What is the limit of compensation in case of the total loss of foreign and colonial postal packets?

12. How must foreign and colonial postal packets, when insured, be secured, and what must be written on the cover in addition to the address?

13. What is the maximum insurance fee and compensation, and what is the effect of over-insurance?

14. What is the maximum compensation in respect of the loss or damage of uninsured foreign and colonial parcels?

15. Is Express Service available in respect of foreign and colonial packets, and what are the fees?

16. Explain the operation of the C.O.D. Service.

17. Can a written communication be sent by post for less than 1½d., if so, how?

18. What is the postage on :—(*a*) Newspaper, 1¼ oz., York to New York? (*b*) a registered letter, 3¾ oz., Halifax to Moscow? (*c*) an invoice in an open envelope, ½ oz., Huddersfield to Hamburg? (*d*) a pattern, 1¼ oz., Manchester to Bombay? (*e*) a letter, 12½ oz., Bristol to Toronto? (*f*) a letter, 16¼ oz., Hull to Glasgow? (*g*) a packet of six newspapers, 66 oz., Leeds to Dewsbury? (*h*) a letter, 1 oz., Sheffield to Leicester, containing one sovereign, so as to be able to claim this amount in case it miscarried? (*i*) a packet of Commercial papers, 2½ oz., Derby to Madrid? (*j*) a packet of Printed and Commercial papers, 10½ oz., Barnsley to Cairo? (*k*) a post card, Wakefield to Hong Kong? (*l*) a magazine, Brighton to Montreal, 18 oz.?

19. What is the surcharge on (*a*) an unpaid letter, 2½ oz., Leeds to Calcutta? (*b*) an unstamped letter, ¼ oz., London to Paris? (*c*) an inland newspaper packet, weighing 9 oz., containing a letter, ½d. stamp being affixed? (*d*) an unpaid inland parcel, weighing 10½ lbs.? (*e*) an unstamped post card from Leeds to Sydney?

LETTER FILING and PETTY CASH.

A **delivery** of **letters** takes place almost everywhere within the U.K. once a day on the six weekdays, while in towns there are several deliveries per day. Should the postman present any postal packet, particularly one that has been registered, which is **torn, damaged,** or bears evidence of having been tampered with in any way, his attention should be drawn thereto. On signing the *green receipt form*, a **note** should be made thereon as to the precise nature of the defect. The **cover** of a damaged postal packet must be kept until the enquiries concerning it have been concluded.

With the view to expedite business some large commercial and financial houses prefer to fetch all their correspondence from the Post Office, where a **PRIVATE BOX** is rented, and into which their correspondence (other than parcels) is sorted for delivery on application. The letters are handed over by the Officer at the times fixed for the commencement of the various town deliveries. The messenger (unless well-known) must present the check card furnished to the renter by the Postmaster, or a written order signed by the renter. A private box must be taken for a period of not less than one year, and in towns the **annual charge** is as follows :—(1) At Offices in the Head Districts of London and at the Head Offices in Liverpool, Manchester, Birmingham, Edinburgh, Glasgow, Dublin, Belfast, Bristol, Cardiff, Hull, Leeds, Newcastle-on-Tyne, Nottingham, Plymouth, Devonport, Sheffield, and Southampton, and at all Branch Offices in these Provincial Towns which are not Delivery Offices **£3 3 0.** (2) At other Offices in London, at other Provincial Head Offices, and at any Branch, District, or Sub-Offices in Town Districts served by those Head Offices **£2 2 0.** (3) At Provincial Sub-Offices **£1 1 0.** Where a firm sends a **bag** for its letters there is, in *addition* to the fee for the box, a charge of **£1 1 0** per year. A special fee is chargeable when a box or bag is required to be used for parcels.

The use of the paper knife in **opening envelopes** is preferable to tearing them with the fingers. Letters are sometimes accidentally and sometimes wilfully delayed, therefore the first thing to be done with every letter is to **mark,** at the top of it, either with a coloured pencil, red ink, or a date stamp, the **date** of its **receipt.** Should there be a greater difference than a day between the date of the letter and the post mark, the envelope should be pinned to the letter until the discrepancy has been cleared up. **Enclosures** should be carefully checked with each letter, and any omission noted at once.

Preserving Letters. As letters frequently contain orders for goods and the terms and conditions upon which these goods are to be supplied, it is necessary alike in the interests of business and of the parties concerned, that commercial correspondence should be preserved in such a manner as to be readily accessible. On the Continent business correspondence and documents are required to be preserved for a period of not less than ten years. While there is no such compulsion in this country, the prevention of misunderstandings, and the confirmation and enforcement of contracts,

render necessary the careful preservation of every letter. Lawsuits have often been caused, and much loss suffered, by the inability of a litigant to produce in a Court of Law, the whole of the correspondence affecting a given case. This is one of the departments in which method can do much to economise the working of a business. There are **two** principal **methods** of preserving letters, invoices, &c.

1. The simplest, most modern, and popular system is that of **FILING,** which consists in placing each letter quite flat, in alphabetical and date order, either in a single file or a filing cabinet. For most files the letters require to have holes punched in them so that they may be slotted on to the spikes of the file. The best files admit of a letter being removed without tearing it. There are many varieties on the market, and such a choice should be made as appears most suitable to the needs of the particular business. In large concerns a separate file or drawer is allotted to nearly every letter of the alphabet, each of which is subdivided in vowel or other order. When the file is full, the letters are taken out bodily and transferred to a **Binding Case** supplied for the purpose, thereby forming a volume, which should be labelled similar to the following :—

LETTERS 1916. MARCH.	LETTERS. A—F JULY TO SEPT. 1917.	ORDERS JAN. TO JUNE 1916.

Some firms **number** all their **letters** immediately they are received, either in red ink or with a date stamp, so that original letters, as well as copies, may be **cross-referenced.** When they are not numbered, the dates may be cross-referenced thus : 4/3/16 / 2/4/16

2. The old-fashioned system of **DOCKETING** letters is now rarely used except in the legal world. It consists in folding the letter lengthwise (so as to open from the right-hand side) and then endorsing it with a short description thereof, so as to facilitate reference thereto. The docket is written at the top end of the letter, and should at least give the following particulars :

1. Name of writer.	*H. K. Henderson.*	This endorsement
2. Town and Date.	*Leeds, 12 Jan., 17.*	is called the
3. Index of Contents.	*Ordering Book.*	**"Docket."**

When both sides of the sheet are filled with writing, the docket should be written in *red ink.*

Although no kind of apparatus is essential to the preservation of docketed correspondence, it is nevertheless convenient to use a **cabinet** of **24 oblong pigeon holes,** lettered in alphabetical order, the last compartment being allotted to X.Y.Z. Letters from Brown would be placed under **B,** from Jones under **J,** and from Robinson, under **R,** &c. Letters from the same person should be kept together, the last letter being placed on the top. Periodically the cabinet is cleared and bundled, a slip of stout cardboard being

placed at the top and bottom of each bundle, which is tied and labelled thus :—

LETTERS A to G Jan. to June, 1917.

In legal offices the docketed letters are often placed with the other papers on the same matter, and tied with either red tape, an india-rubber band, or a web strap. Letters from branches, agents and travellers, should be kept in a separate bundle or file, and not mixed with the general correspondence.

A **REGISTER** of **LETTERS** and **TELEGRAMS,** practically affording an index of all the correspondence received, is kept by some firms, who consecutively number each letter immediately on its receipt. The form may vary slightly, but the following is a typical example :— JANUARY, 1917.

No. of Letter.	Date Recd.	From	Subject.	Handed to.	Remarks.	L.B Fol.
501	*16*	*A. J. Jones*	*Order for Books*	*N.K.*	*Executed*	*463*
2	,,	*H. K. Henderson*	*Remittance*	*A.F.*	*C.B. fo. 54*	*468*
3	,,	*P. Machin*	*Parcel Post*	*H.W.*		*479*

PETTY CASH is the term used relative to the money paid for those small and trivial expenses which occur in every business, such as postage stamps, carriage on parcels, string, newspapers, stationery, travelling expenses, subscriptions, railway guides, gratuities, matches, &c. With the object (1) of making a complete and convenient record of such expenses and (2) of relieving the Cashier from trouble and loss of time which would be involved in attending to such small payments, it is usual for a junior clerk to keep the Petty Cash Book. The method generally adopted is that known as the **Imprest System,** whereby an *even fixed sum,* sufficient to meet the expenditure of a week or month, is advanced by the Cashier to the Petty Cashier. At the end of the week or other period, the Petty Cashier presents his book for audit to the Cashier, who repays to the Petty Cashier the whole of the amount expended during the period, so that the latter commences the new period with the *same fixed* or *imprest* amount in hand. The Petty Cashier must not fail to **record** every payment **promptly,** avoiding all excuses for delay. Wherever possible a receipt should be secured, and presented to the Cashier at the periodical audit. The total column should be added frequently, and the difference verified by counting the cash in hand. Beware of using the smallest amount for *private purposes* in the hope of repaying it "to-morrow.". The Petty Cash Book only needs one side, seeing that it is Dr. for a *fixed* amount. In small businesses the total of each month's disbursements is debited to the Trade Expenses A/c., while in larger concerns the items are analysed either by **tabular columns** or otherwise, and carried to their respective accounts in the Ledger on balancing the books. The six analytical columns given in the example on the next page may, of course, be dispensed with in very small businesses.

PETTY CASH BOOK.

Cash Received.			Date.	Particulars.	Voucher No.	Totals. £ s. d.			Cartage and Carriage			Travelling.			Stationery.			Postages and Telegms			Sundry Stores.			Petties.		
			1917.																						
20	-	-	Jan. 1	To Cash	CB1																				
			,, 2	By Carriage—Cook & Co.	1	-	15	6	-	15	6															
			,, 2	,, Telegrams		-	2	9										-	2	9						
			,, 3	,, Gratuities		1	5	6																1	5	6
			,, 3	,, Tram Fares		-	-	9				-	-	9												
			,, 5	,, Postage Stamps		2	10	-										2	10	-						
			,, 6	,, Teas		-	8	6																-	8	6
			,, 7	,, Carriage—F. Jones	6	-	1	10	-	1	10															
			,, 8	,, Cab Fare—H. Burt		-	4	6				-	4	6												
			,, 9	,, Labels—T. Sykes	9	-	15	-							-	15	-									
			,, 10	,, Matches		-	-	3																-	-	3
			,, 10	,, Asbestos—T. Marsden	11	-	18	6																		
			,, 12	,, Cartage		-	10	-	-	10	-													-	18	6
			,, 14	,, Twine—J. Holmes	15	-	2	6																-	2	6
			,, 15	,, Postal Wrappers		1	16	8										1	16	8					
			,, 16	,, Railway Fare to Eccles		-	5	10				-	5	10												
			,, 17	,, Carriage—F. Potts	19	-	3	6	-	3	6															
			,, 20	,, Post Cards		-	5	-										-	5	-						
			,, 22	,, Oil—J. Thorpe	24	1	3	6																1	3	6
			,, 26	,, Pens		-	3	6							-	3	6									
			,, 31	,, Newspapers	32	-	7	6																-	7	6
12	1	1	,, ,,	To Cash, Disbursements	CB2																					
						12	1	1	1	10	10	-	11	1	-	18	6	4	14	5	2	2	-	2	4	3
			31 ,,	By Balance c/d.		20	-	-																		
£32	1	1				£32	1	1																		
20	-	-	Feb. 1	To Balance b/d																						

TEST PAPER 7.

1. What should be done when the postman tenders a letter which bears signs of injury, and why?

2. What is the object of a firm having a private box at the P.O., and what is the annual charge for the large towns?

3. How should envelopes be opened? What fact should be denoted upon every letter received, and how?

4. Why should letters be preserved?

5. Describe the two principal methods of preserving letters, and state which you think is preferable.

6. What is a cross-reference? Of what service is it on incoming letters?

7. Make a copy of the two letters on page 29; mark the probable date of receipt, and docket each of them.

8. In which pigeon-hole compartments would you find letters from (1) A. Beardsell, Secretary, Alliance Assurance Co.; (2) C. H. Hall, Manager, National Discount Banking Co., Ltd.; (3) The Wilson Engineering Co., Ltd.; (4) Effingham Wilson & Co.; (5) Ward, Lock & Co.; (6) C. J. Clay & Sons?

9. What is the object of a Letter Register?

10. Rule a form of Letter Register and make six entries therein.

11. Write the words represented by the following abbreviations, and where necessary state the meaning :—G.P.O., Messrs., Dr., Col., Capt., Esq., Secy., Stet., Regd., Ref., Ry., Pro. tem., Prof., Per cent., Pd., Pp., P.P., Oz., N., Mem., I.O.U., Enc.

12. What is meant by the term "Petty Cash"?

13. What are the objects of a Petty Cash Book and upon what system should it be kept?

14. Set out the following letter in proper form :—From Oswald Thompson, of 500 Mattison Road, Harringay, London, N., to T. R. Harper, 70 Duke Street, Liverpool. Sir, Having been informed by a relative living in Liverpool that you will shortly have a vacancy in your office for a clerk well acquainted with German and Spanish, as well as Book-keeping and Customs' business I make free to ask you to do me the favour of entrusting to me the duties in question. I was educated first in the City of London School, which I left when 17 years of age in order to spend two years as a student at the Higher Commercial Institute in Antwerp, where I obtained the diploma of *licencié ès sciences commerciales*. I then spent twelve months in the office of a Hamburg firm trading with South America, and left there on obtaining a clerkship in the house of Heaps & Wilson, Coleman Street, E.C., foreign carriers. Mr. Heaps, whose name is familiar to you, has kindly promised to write to you on my behalf. I have now been eighteen months in his service, and during this time I have kept up my commercial studies and have successfully undergone the London Chamber of Commerce Examinations in German, Spanish, Shorthand, Book-keeeping, Commerce and Commercial Law. Should you entertain my application, I should do my utmost to justify the confidence you would repose in me.

TELEGRAMS and CABLEGRAMS.

Business often demands a more rapid transmission of messages than that of ordinary correspondence, and resort must therefore be had either to the Telegraph or Telephone. **INLAND TELEGRAMS** may be sent to all parts of the U.K. and the Channel Islands, at the rate of **9d.** for the **first 12 words,** including the address, and **½d.** for every **additional word.** On payment of the extra cost, the sender may have any instructions, such as "private," "confidential," written on the envelope. If the sender does not wish his name and address to be telegraphed, he must write them in the space provided at the back of the form for reference in case of non-delivery. Telegrams may be **cancelled** either before, during, or, if not too late, after transmission. If cancelled before transmission the sum paid is returned, less a fee of 2d. for cancelling.

COUNTING WORDS. Telegrams in plain language in any modern European tongue or in Latin are charged for according to the number of words; but all words not forming part of any modern European language or of Latin, and all unintelligible **combinations** of letters are charged for at the rate of **five letters or figures to a word.** With the exception of words which are ordinarily written as one, or coupled by hyphens, no combination of words is counted as one word. The following are counted as **one word**:—mother-in-law, forty-seven, warehouseman, non-delivery, O'Neil, McDonald, De la Rue, St. Pancras, can't, won't, don't, shan't, couldn't, 38563, ½, 2¾, %, a/c., b/l., c/o., 1st, 143rd, E.C., S.W., a.m., p.m., also all the names of towns and villages in the U.K., irrespective of the number of words of which they are composed, *e.g.*, Newcastle-on-Tyne, Saltburn-by-the-Sea, Abbey Holme, Bodmin Road, Merthyr Tydvil. When it is necessary to add the name of a county to the name of a place to distinguish it from another place of the same name, the name of the county is *not* charged for, *e.g.*, Newport, Shropshire. When words are **underlined,** or placed in parenthesis or within inverted commas, one extra word is charged. The names of **Town Sub** and **Branch Offices,** and all other names, are counted according to the number of words of which they are composed, the following being counted as **two words**:—Hanging Ditch, Drury Lane, New Street, Manchester Road; also Smith-Payne, Munro-Peebles, Leveson-Gower, 1432nd, 607½, 406/31, 390-22, 1535th, 620B, s/d., a/s. A mark of division between figures and a letter is counted as an extra word, thus: a/645 would be counted as **three words.**

TELEGRAM FORMS, which may be had free of charge, should be used for all messages, not only for the sake of uniformity, but also on account of the facility they afford both in writing and counting the words. The postage stamps are required to be affixed in the space provided at the top right hand corner by the senders. Forms with embossed stamps may be obtained either singly or in books of 20, interleaved, and with a sheet of carbon paper, price 1s/2. A **receipt** for the charges prepaid upon a telegram may be obtained for one penny. A **certified copy** of a telegram may be obtained on application to the Secretary, General Post Office, at a charge of 3d. a copy.

A prepaid telegram may be handed to a *Rural Postman* on his way to a Telegraph Office, or may be **posted** in a wall or **pillar box,** and if enclosed in an envelope it should be marked *Telegram Immediate.* Telegrams posted insufficiently prepaid are forwarded, and the deficiency is charged to the addressee, but unpaid Telegrams are not forwarded. Before posting a telegram the next "hour of collection" should be noted, so as to form some idea as to the time of dispatch from the telegraph office.

DELIVERY of telegrams is free of extra charge within three miles of the office nearest the address, which is called the Terminal Office, or within the limits of the town postal delivery. No extra charge is made for delivery within the whole of the London Postal area. **Porterage** at the rate of 3d. per mile or part of a mile, is charged beyond the limit of free delivery, the distance being calculated from such limit only. The sender is responsible for the porterage, which must be paid in advance, if practicable. The approximate distance can generally be ascertained on reference to the *Post Office Guide.*

PREPAYMENT of a **REPLY** not exceeding 48 words, may be effected by the sender affixing additional stamps to the telegraph form. The official will add the words, "Reply paid" to the service instructions, free of charge. A reply form will be delivered to the addressee, who may hand his reply to the telegraph messenger at once, or he may use the form for any other message within two months. Should the reply exceed the number of words paid for, it is only necessary to affix stamps for the excess.

LATE FEES. Telegrams are accepted after the usual hours on payment of the following fees, if the terminal office is open, or its attention can be gained. (*a*) If the handing-in office is not open for either postal or telegraph business, 1s. for the postmaster, 1s. for the telegraphist, 1s. for a messenger, if one be required to call the telegraphist. (*b*) If the office is open for postal business, but not for telegraph business, 1s. for the telegraphist, 6d. for a messenger, if one be required to call the telegraphist. (*c*) If the office is open for the receipt of press news (but not for other telegraph business, or ordinary postal business) 6d. for the postmaster, 6d. for the telegraphist.

When telegrams are handed in at an office which is open, for one which is not open for telegraph business, the following fees are to be paid by the sender :—(*a*) If the terminal office is not open for postal business, 1s. for the telegraphist, 1s. for the messenger, 6d. an hour for the telegraphist if he has to wait for a reply. (*b*) If the terminal office is open for ordinary postal business, 1s. for the telegraphist, 6d. for the messenger.

TELEGRAPHIC ADDRESSES. With the object of saving both time and money, as well as facilitating the delivery of telegrams, most firms and public bodies state at the head of their letter-paper their special brief form of address for telegrams. Such an abbreviated address must be *registered* at the Post Office, an annual registration fee of £1 1s., dating from the day of registration, being payable. The address must consist of not less than two words, the second of which is to be the name of the place of delivery; the first (if not a proper name), must be a dictionary word containing not more than ten letters, taken from any of the

following eight languages: English, French, German, Dutch, Italian, Spanish, Portuguese, and Latin. Telegrams may be sent **care of** a firm having a registered address, by adding the symbol, *c/o*, which is charged as one extra word, viz., *Smith, c/o Hercules, London,* counts as four words. The translation of a telegraphic address is made by the dispatch clerk at the office of delivery, on consultation of the Official Register of Addresses.

An address ordinarily used for letters is not necessarily correct or sufficient for telegrams: for instance, a letter, is correctly addressed to *Thongsbridge, Huddersfield,* but a telegram must be directed to *Thongsbridge, Brockholes,* the latter place having the nearest Telegraph Office to Thongsbridge.

Full Name.	Telegraphic Address.
Robinson Brown	Silkworm, Macclesfield.
Macmillan & Co., Ltd.	Publish, Westrand, London.
Sir Isaac Pitman & Sons, Ltd.	Contemporary, Cent. London.
Spratt's Patent, Ltd.	Spratts, Fen. London.
Chartered Institute of Secretaries	Secretaryship, Ave., London.
National Union of Teachers	Curriculum, Westcent, London.
Midland Railway	Passenger, Derby.
Cyclist's Touring Club	Cosmopolitan, Eusroad, London.
Centaur Cycle Co., Ltd.	Centaur, Coventry.
John Heywood, Ltd.	Books, Manchester.
Robert Stephenson & Son	Rocket, Newcastle-on-Tyne.
Palmer Tyre, Ltd.	Tyricord, Westcent, London.

REPETITION of a Telegram, which is advisable in important quotations or figures, as well as for a message written in cypher, may be effected by the **sender,** when the telegram is being handed in, on payment of one-half the ordinary tariff.

If the **receiver** of a telegram doubts its accuracy he may have it repeated by paying half the cost of transmission for the whole message, or half the cost of the portion to be repeated, the minimum charge being 3d. The money will be refunded if it should be found that the original telegram was incorrectly transmitted.

MULTIPLE ADDRESS TELEGRAMS. Copies of a telegram directed to more than one person in the *same free delivery* are delivered on prepayment of a charge of **3d. per copy.** Suppose it is desired to wire to six firms in Leicester, asking them to quote for the supply of the same class of goods, the cost of the first telegram, not exceeding 12 words, would be 9d., plus 5 copies at 3d. = 1/3; total cost of six telegrams 2/-.

COMBINED TELEGRAPH and **POSTAL SERVICE.** Persons desirous of having a communication forwarded by post to a place abroad from a Postal Telegraph Office at which it could be posted later than at their local office, may have it transmitted as an inland telegram to such an office, and posted there. In this case the sender must write "post ——" (which will not be charged for) before the addressee's name, and the name of the terminal Telegraph Office at the end of the address. For example, "Post, Brown, 12 Fifth Avenue, New York, Queenstown." Thus a telegram of 24 words, to be sent by post from Queenstown to New York should be prepaid 1s. 5d., viz., 1s. 3½d. for telegraphing (including ½d. for the name Queenstown), and 1½d. for postage. In such cases a registered address cannot be used. The *Post*

Office Guide gives a list of the Outports to which telegrams can be sent for inclusion in mails for places abroad.

WRITING TELEGRAMS. Every message should consist of the fewest number of words consistent with clear and intelligent expression of meaning, remembering that the characteristics of telegraphic messages are **clearness** and **brevity.** The former is necessary in any communication, but the desire to be brief sometimes leads to ambiguity, which should always be avoided. Brevity in telegraphing means economy, particularly when the message exceeds twelve words. Except in the case of very short messages, telegrams should first be drafted, all *unnecessary* words or superfluous phrases being struck out. Expressions used in letters for the sake of politeness are omitted from telegrams, the latter only containing the unadorned statement, clear and unmistakable, but as brief as possible. It is advisable to follow every telegram by writing a **letter of confirmation** the same day commencing : *We wired you this morning as follows* : or *Confirming our telegram of this date.* The following letter could be condensed for telegraphic purposes, as shown below.

Letter :—*Being in urgent need of a few copies of "The Student's Complete Commercial Book-keeping," I wired you this morning to send immediately, by passenger train, 22 copies.*

Telegram :—*Send first passenger train 22 complete book-keeping.*

No telegram should be dispatched until it has either been press-copied in the Letter Book or a carbon copy made. Some firms use a **Triplicate Telegram Book,** obtaining by means of interleaved carbon paper, three copies; one of which is dispatched, a second enclosed with the letter of confirmation, and the third retained in the book for reference.

FOREIGN and **COLONIAL TELEGRAMS** or **CABLEGRAMS** are transmitted at rates varying from **2d.** to **7/2 per word,** the *minimum* charge for a foreign telegram being **10d.** The *Post Office Guide* must be consulted for the current rates. Special forms are provided, but messages are accepted when written on forms supplied by the Cable Companies, who register **cable addresses** free of charge.

There are two classes of foreign telegrams (**1**) Those written in **plain language,** and therefore composed of words, figures, and letters, in any of the principal European languages, and which offer an intelligible meaning, no word containing more than *fifteen letters;* (**2**) Those written in **secret language,** which include (**a**) **Code** or preconcerted language, composed of real words not forming comprehensible phrases, or of pronounceable groups of letters having the appearance of real words, each word representing either part or the whole of the sentence. No word or group of letters may exceed *ten letters* in length; and the real word must be drawn from the English, French, German, Italian, Spanish, Portuguese, Dutch, or Latin languages.

(**b**) **Cypher** telegrams composed wholly, or in part, of figures, or letters or groups or series of letters, having a secret meaning and forming no intelligible word. A letter and figure cypher cannot be combined in one message. Every *separate* figure or letter, or *group of five* letters or figures is charged as one word.

The *Post Office Guide* contains regulations as to Multiple Address Telegrams, Prepaid Replies, Repetition, Mixed Postal and Telegraph Service, &c.

TELEGRAPHIC or **CABLE CODES.** If brevity be advisable in an inland telegram, it becomes imperative in cablegrams, which sometimes cost several shillings per word. Cheap and secret cablegrams have necessitated the compilation and publication of various systems of abbreviation, called Telegraph or Cable Codes, ranging in price from 2/6 to £5 5s. 0d. The object of all of them is simplicity, economy and secrecy, one distinctive word being made to represent a sentence or phrase. Firms using a code indicate the fact underneath their telegraphic address at the head of their letter paper, thus :—"A.B.C. Code 4th Edition." When a cable is received from a stranger it may generally be presumed that it is written in the A.B.C. Code. This Code contains 25000 words in alphabetical order, part I. giving an extensive vocabulary, sub-divided by leading or principal words; while part II. contains a special vocabulary devoted to different branches of trade and finance, as :—stocks, railways, banks, insurance, mines, products, vessels, ports, packages, weights and measures, rates, prices, quantities, &c.

Extract from page 133 of the A.B.C. Code.

6603	*Glittering*	**Goods.**
6604	*Gloaming*	Goods are all shipped.
6605	*Globated*	Goods are not shipped.
6606	*Globe*	Goods will be shipped.
6607	*Globosity*	Goods will not be shipped.
6608	*Globular*	Goods were not shipped.
6609	*Glomerate*	Goods are all landed.
6610	*Gloomily*	Goods are not landed.
6611	*Gloominess*	Goods not yet to hand.
6612	*Glorifying*	Goods are in course of shipment.
6613	*Glorious*	Goods are in course of landing.
6614	*Glossary*	Goods are not same as sample.
6615	*Glottal*	Goods approved.
6616	*Glove*	Goods not approved.
6617	*Glowing*	Goods will be returned.
6618	*Glowworm*	Goods will not be accepted.
6619	*Gluten*	Do not take up the goods.
6620	*Glutinate*	Goods accepted on approval.
6621	*Gluttony*	Goods to be accepted if approved of.
6622	*Glyptic*	Take up the goods immediately.
6623	*Goading*	Goods remaining here at your disposal and risk.

Note that the following cablegram of four code words signifies a message of 26 ordinary words.

Gloaming.	Goods are all shipped.
insultment.	The goods are fully insured.
freewill.	Freight to be paid on delivery without deduction of any kind.
renovation.	Send remittance at once to cover.

Private Codes are often compiled by firms having either inland or foreign branches and agencies. The code words, being made applicable to a particular class of business, result in a great saving of money, besides materially facilitating the transaction of business. Where the code is not printed, great care is needed to see that the various copies supplied to the branches are identical.

TABLE of PRINCIPAL CHARGES, per word, for FOREIGN and COLONIAL TELEGRAMS.

European System.

	d.		d.
Austria	2½	Malta	4
Belgium	2	Morocco: Tangier	4
Canary Islands ...	5	Norway	2½
Denmark	2½	Portugal	3
France	2	Russia-in-Europe	4½
Germany	2	Serbia	3½
Gibraltar	3	Spain	3
Greece	5½	*Via* Marseilles ...	5
Holland	2	Sweden	2½
Hungary	2½	Switzerland ...	2½
Italy	2½	Turkey	6

Extra-European System.

	s. d.	s. d.
Argentine Republic ...	2	9
Australia (N. S. W., Queensland, South Australia, Tasmania, Victoria and Western Australia)	3	0
Bahamas	2	5
Bermuda	2	6
Brazil	1 7 to 2	7
Places on Amazon ...	3 5 to 6	2
Burmah		10
Canada:		
British Columbia ...	7 to 3	2
Cape Breton	4 to 1	0
Manitoba	6 to 1	5
New Brunswick ...	4 to 1	0
Novia Scotia	4 to 1	0
Ontario Province ...	4 to 1	0
Prince Edward Island	4 to 1	0
Quebec Province ...	4 to 1	0
Cape Colony	2	6
Cape Verd Islands:		
St. Vincent	2	2
St. Thiago	3	1
Ceylon	1	8
Chile	2 6 to 2	9
China	3 6 to 3	9
Cochin China	3	0
Corea	3	11
Cyprus	1	0
Dutch East Indies ...	3	7
East Africa:		
British East Africa ...	2 6 to 2	9
East Africa:		
German East Africa...	2 8 to 3	1
Italian East Africa...	1	6
Portuguese East Africa	2 7 to 2	8
Zanzibar	2	6
Egypt	1 0 to 1	4
Guiana, British	2	6
India	1	8
Japan	3	11
Madeira	1	0
Mauritius	2	6
Mexico	1 6 to 2	4
Natal in Zululand ...	2	6
Newfoundland	1	0
New Zealand	2 9 to 3	0
Persia	1 6 to 2	1
Persian Gulf	2 0 to 2	3
Peru	2 9 to 4	9
Transvaal & Orange River	2	6
United States	1 0 to 1	6
West Africa:		
Bathurst	1	7
Gold Coast	2 0 to 2	1
Nigeria	2 0 to 2	3
Sierra Leone	1 7 to 1	8
West Indies:		
Barbados	2	6
Cuba	1 8 to 1	10
Grenada	2	6
Jamaica	2	6
Porto Rico	3	1
St. Vincent	2	6
Trinidad	2	6

A.

Prefix..... Code.....

POST OFFICE TELEGRAPHS.
(Inland Telegrams).

No. of Telegram .....

Office of Origin and Service Instructions

Words.

Charge.

Sent.
At.....M.
To .....
By .....

For Postage Stamps.
To be affixed by the Sender.
Any Stamp for which there is not room here should be affixed at the back of this form.

A Receipt for the Charges on this Telegram can be obtained, price One Penny.

When a reply is to be prepaid, write the words "Reply paid" in the space below. These words are not charged for.

TO {

12
words including the words in the address
9D.

Every additional word,
$\frac{1}{2}$D.

FROM {

The Name and Address of the Sender, IF NOT TO BE TELEGRAPHED, should be written in the Space provided at the Back of the Form.

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NOTICE TO THE SENDER OF THIS TELEGRAM.

This Telegram will be accepted for Transmission subject to the Telegraph Acts and Regulations made thereunder, and to the following Conditions:—

1. The charge for transmission will cover the cost of delivery from the usual Delivery Office:—
(*a*) If the address is within three miles from the usual Delivery Office, or within the limits of the Town Postal delivery of that Office (when it is a Head Post Office) if that delivery extends to more than three miles.

(*b*) If the Sender desires it to be forwarded by Post from the Terminal Telegraph Office and shall write the word "Post" before the Addressee's name, and at the end of the address the name of the Office at which the Telegram is to be posted.

2. The charge for delivery of this Telegram during ordinary office hours, at any address beyond the limits of free delivery will be at the rate of 3d. for each mile, reckoned from the limits of free delivery. Provided that any fraction of a mile beyond any complete number of miles shall be reckoned as a mile. This charge will be payable by the Sender and should be prepaid.

3. If the Sender desires this Telegram to be forwarded by Train from the Terminal Telegraph Office, he must write the word "Train" at the end of the address, and must pay the actual cost of the conveyance, if such cost be known, or must deposit 1s.

4. The Sender may prepay a reply not exceeding in length 48 words. In such case a Form or Pass will be handed to the Addressee. The Pass will, within two months from its date, frank an Inland Telegram not exceeding in length the number of words stated on such Pass. If the Pass be not used, its value will be paid to the Sender of the original Telegram on application being made through the local Postmaster. The Pass must be left with the Postmaster when the application for the return of the amount is made.

5. A Telegram can be repeated back from Office to Office throughout the course of transmission if the Sender desires to adopt this security against the risk of error. The charge for repetition (which must be paid when the Telegram is handed in is one-half the charge for transmission, any fraction of a 1d. less than a ½d. being reckoned as a ½d. If containing mercantile quotations or code words a Telegram ought always to be repeated.

6. The Postmaster-General will not be liable for any loss or damage which may be incurred or sustained by reason or on account of any mistake or default in the transmission or delivery of a Telegram.

7. All applications respecting this Telegram must be made within three months from the date of its transmission.

Name and Address of Sender.

(FOR REFERENCE ONLY.) .....

.....

A S M

POST OFFICE TELEGRAPHS.

FOREIGN AND COLONIAL TELEGRAMS ONLY.

(Telegrams for North America, Central America or West Indies excepted.)

Counter Number.....

Prefix.	Words.	Code.	Charges. £.	s.	d.

Office of Origin and Service Instructions.

Sent.

At .....M.

To .....

By .....

For Postage Stamps.

To be affixed by the Sender. Any stamp for which there is not room here should be affixed at the back of this form.

(A Receipt for the Charges on this Telegram can be obtained, price One Penny.)

Notice.—The following Telegram is accepted by the Postmaster-General for transmission subject to the Regulations as to Foreign Telegrams made pursuant to the Telegraph Acts, 1863 to 1904, provided that the *Request* at the foot of the Telegram is previously signed by the sender.

Sender's Name and **Address** or either of them *if to be telegraphed*, must be written at the end of the text of the telegram.

TO {

I request that the above Telegram may be forwarded [via* .....] subject to the Conditions which are printed on the back hereof, and by which I agree to be bound.

Signature and Address of Sender (*not to be telegraphed*) .....

* This space is to be filled up only if there are alternative routes. For routes, see the Table of Charges for Foreign Telegrams in the Post Office Guide.

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Authorised Abbreviations charged as one word—

RP—*	= Réponse payée	= Telegram with reply paid.
TC	= Télégramme Collationné	= Telegram to be repeated.
PC	= Accusé de réception	= Telegram the delivery of which has to be notified by telegraph.
PCP	= Accusé de réception postal	= Telegram the delivery of which has to be notified by post.
FS	= Faire Suivre	= Telegram "to follow."
PR	= Poste Recommandée	= Telegram to be posted as a registered letter.
XP or XP—†	= Exprès payé	= Charge for porterage prepaid.
XPT	= Exprès payé télégraphe	= Deposit for porterage paid with notification by telegraph.
XPP	= Exprès payé lettre	= Deposit for porterage paid with notification by post.
TR	= Télégraphe restant	= Telegram to be called for at a telegraph office.
GP	= Poste restante	= Telegram to be called for at a post office.
GPR	= Poste restante recommandée	= Telegram to be called for at a post office registered.
TM—‡	= Télégramme multiple	= Telegram with multiple addresses.
Jour		= Telegram not to be delivered during the night time.
CTA	= Communiquer toutes adresses	= Communicate all addresses (multiple address telegram).
Nuit		= Telegram to be delivered during night time if received then.

* No. of words to be inserted here.
† Here insert the amount paid (for example "XP 2s. 6d.").
‡ Here insert number of addresses.

CONDITIONS.

1.—Either the Postmaster-General or any Telegraph Company or Foreign Government, by whom this Telegram is or would in the ordinary course of the Telegraphic Service be forwarded may decline to forward the Telegram although it has been received for that purpose; but in such case the amount paid for transmission shall be refunded to the Sender at his request.

2.—Neither the Postmaster-General nor any Telegraph Company or Foreign Government, by whom this Telegram is or would in the ordinary course of the Telegraph Service be forwarded shall be liable to make compensation for any loss, injury or damage arising or resulting from non-transmission or non-delivery of the Telegram, or delay, or error, or omission in the transmission or delivery thereof, through whatever cause such non-transmission, non-delivery, delay, error or omission shall have occurred.

3.—This Telegram shall be forwarded in all respects in accordance with the provision of the Regulations made pursuant to the Telegraph Acts, 1863 to 1904 and the provisions of such regulations † shall be deemed to be binding not only between the Sender and the Postmaster-General, but between the Sender and any Telegraph Company or Foreign Government by whom this Telegram is or would in the ordinary course of the Telegraph Service be forwarded.

† The substance of these regulations will be found in the Post Office Guide.

NOTE.—In addresses consisting of a name prefixed to a **REGISTERED** or **ABBREVIATED ADDRESS**, or to where a telegram addressed to one person at the house of another, whose name is also given, the word "**CHEZ,**" (at) or some equivalent expression must be inserted after the name of the addressee.

THE WORLD'S TIME.

Foreign Telegram Time Table.

When it is noon (12 o'clock) at Greenwich, the following is the time at the chief cities on the globe :—

	H. M.		H. M.
Adelaide	9 14 p.m.	Melbourne	9 40 p.m.
Amsterdam	0 20 p.m.	Moscow	2 30 p.m.
Berlin	0 54 p.m.	Munich	0 46 p.m.
Berne	0 30 p.m.	New York	7 4 a.m.
Bombay	4 52 p.m.	Paris	0 9 p.m.
Boston	7 18 a.m.	Pekin	7 46 p.m.
Brussels	0 17 p.m.	Penzance	11 38 a.m.
Calcutta	5 54 p.m.	Petrograd	2 1 p.m.
Capetown	1 14 p.m.	Philadelphia	6 59 a.m.
Constantinople	1 56 p.m.	Quebec	7 15 a.m.
Copenhagen	0 50 p.m.	Rome	0 50 p.m.
Dublin	11 35 a.m.	Rotterdam	0 18 p.m.
Edinburgh	11 47 a.m.	Suez	2 10 p.m.
Glasgow	11 43 a.m.	Sydney	10 5 p.m.
Lisbon	11 43 a.m.	Stockholm	1 12 p.m.
Madras	5 21 p.m.	Stuttgardt	0 37 p.m.
Madrid	11 45 a.m.	Vienna	1 6 p.m.
Malta	0 58 p.m.	Wellington	11 40 p.m.

TEST PAPER 8.

1. What is the charge for Inland Telegrams and where must the sender write his name and address if he does not wish these to be wired?

2. May a telegram be cancelled, and if so, under what conditions?

3. What are the general regulations for the counting of words?

4. What is the charge payable upon obtaining a receipt for the cost of a telegram, also for a certified copy of a telegram, and where may the latter be obtained?

5. In dispatching a telegram is it absolutely necessary that the sender should hand it in at a telegraph office; if not, how may it be dealt with?

6. What is the distance covered by the ordinary charge upon a telegram, and how is porterage calculated?

7. What is the largest sum that may be prepaid for an inland reply telegram, and within what period may the addressee use the reply form?

8. Upon what conditions may a telegram be sent after the usual hours?

9. What is a telegraphic address, and what is the amount of the fee payable upon registration thereof?

10. Why is an address ordinarily used for letters, not always correct for telegrams?

11. State the charges and conditions in connection with the repetition of telegrams.

12. Suppose 20 telegrams, all alike, not exceeding 12 words each (the message being 8 words, and the address 4), all of which are to be delivered in the City of Glasgow; show how the total cost would be made up.

13. In case you are three hours too late to secure the dispatch of a letter by the ordinary post to the U.S.A., how may you still secure the transmission of your letter, and what would be the cost if the message (including the address) consisted of 100 words?

14. Explain the characteristics of telegraph messages.

15. How may copies of telegrams be retained, and, in the interests of business, what should follow each telegram?

16. In the fewest possible words, with imaginary telegraphic addresses, write out telegrams for the three letters Nos. 5, 6, 7, on page 30.

17. State of what the two classes of foreign telegrams consist.

18. What is the object of Cable Codes? Name one in common use.

19. Write a telegram from Thompson, c/o. Swift, Market Street, St. Annes-on-the-Sea, to "Centaur, Coventry," ordering a gent's standard Featherweight bicycle, 24in. frame, 7½in. cranks, with three-speed gear, to be delivered within 7 days, carriage paid. State cost.

20. What would be the cost of the following telegrams?:—

(*a*) Alexander Munro-Peebles, Market Place, Stockton-on-Tees.—Return 57 books forwarded last week. Another parcel dispatched to-day. O'Connor, Leeds.

(*b*) Robinson, West Hartlepool.—Wire date of sailing "Utopia." When is "Albertross" expected? Send b/l. to-night. Kitson, Leeds.

(*c*) Ellam, 8 Rue de Choiseul, Paris.—Arrangements complete. Will meet you Dover Thursday 9 a.m. Don't reply. McLintock, Birmingham.

21. Write the words represented by the following abbreviations, and where necessary state the meaning:—T.O., B.O., C.I., P.S., G.B., G.B. & I., H.M.C., O.H.M.S., Hants., Salop, N.B.

22. Write the following:—

(*a*) Letter from Peterson Bros., of Park Lane, Leeds, to Rogers & Co., of Market Street, Bradford, asking for patterns and quotations of Worsted Tweeds.

(*b*) Reply letter with patterns and quotations.

(*c*) Letter with order for 50 pcs., as per patterns enclosed, carriage paid, per G.N.R.

(*d*) Letter acknowledging receipt of order.

(*e*) Letter complaining of delay.

(*f*) Reply letter with suitable explanation and advising the sending of goods and enclosing invoice.

(*g*) Letter enclosing cheque in settlement.

TELEPHONES.

The telephone is an **instrument** for **transmitting speech** by means of electricity, the most recent type admitting of the receiver and transmitter being taken into the hand, so that the receiver may be held to the ear and the transmitter placed beneath the mouth, with equal convenience. There are **two kinds** of **instruments**—one for **attachment** to the **wall,** and the other for placing on a **table** or **desk.** Comparatively modern as is the telegraph, it is rapidly being superseded by the telephone, both for short and long distances. The telephone is far quicker, much cheaper, and less trouble than the telegraph, and has the further advantage that the user can get in direct touch with his correspondent, and not merely send a message, but discuss and thrash out a matter. No modern invention has effected so great an economy or facilitated the transaction of business as much as the telephone. A commercial man sitting at his own desk may have the telephone system installed so as to enable him to speak (*a*) with each department in his own establishment, (*b*) with the subscribers in his own district, (*c*) with subscribers in distant towns connected by the trunk lines.

The wires or **lines** of **communication** are either internal or external. The **INTERNAL** or **LOCAL LINES** are those within a town and district, known as an "Exchange Area." The **EXTERNAL** or **TRUNK LINES** are those connecting one town or telephone Exchange Area with another, and the whole system, with the exception of the Hull Local Service, is controlled by the Postmaster-General.

The **Telephone Exchanges** are kept open *continuously,* thus giving a day and night service. Communications may be had with subscribers, not only in the town itself, but also, on payment of the Post Office Trunk Fees, with subscribers in the various towns throughout the Kingdom which are connected by Trunk Wires.

Public Telephone Call Offices are open at the Post Offices and elsewhere in all the principal towns in the British Isles, where, on payment of the proper fees, any person, whether subscriber to the Telephone Exchange System or not, can speak to any subscriber in the same town or (if the Call Office is open to the Trunk Service) to an Exchange in any other town connected by Trunk Wires.

The Postmaster General **divides** the **British Isles** into seven sections:—Southern, Western, Midland, North-Western, Northern, Scotland, Ireland—for each of which a Telephone **Directory** is compiled. Each subscriber is presented with a copy of the Directory relating to his particular section. In addition to containing a List of Subscribers, giving their **names, addresses,** and **numbers,** there is also an "Index of Towns" showing the section to which any given town belongs. The names of new Subscribers are furnished by the issue of periodical Supplements.

APPLICATION for the **INSTALLATION** of the Telephone should be made to the local Post Office, to the District Manager or to the Secretary, General Post Office. The **terms** vary according to the requirements, but, in many cases, an **annual subscription of £10,** payable in advance, secures unlimited local services and a wall instrument, there being no additional charges except the fees for the use of the Trunk Wires, for removing the instrument, or other special services. Where a subscriber prefers he may have a **message-rate** service, paying an annual subscription of £3 10 0, plus a penny for each Call, he (the subscriber) makes, no fees being chargeable for the calls made upon such a subscriber, who must, however, guarantee a certain number of Calls, in respect of which a Deposit of at least £1 must be paid. Every subscriber must deposit ten shillings or more to cover "Post Office Facilities," which are referred to later on. There is a reduction of the **£10** subscription to about £6 in the case of **party wires,** that is where two adjacent offices use the same wire to the Exchange. Of course, there is the disadvantage that although each subscriber is provided with an instrument, only one of them may communicate at the same time. When the terms have been arranged they are embodied in a printed form of contract.

The **FEES** for the use of the **TRUNK LINES** for a period of **three minutes,** are as follows :—

For 25 miles or under	4d.
,, 50 ,, ,,	8d.
,, 75 ,, ,,	1/-
,, 100 ,, ,,	1/4
,, every additional 40 miles or fraction thereof	8d.

For **six minutes** the **fees** are **double,** except between 7 p.m. and 7 a.m. Between the same hours, 7 p.m. and 7 a.m., a three minutes' conversation for which the day charge is 1/-, a reduced fee of 8d. is charged, and half the usual day charge is made where the ordinary fee is 1/4, or more. The **fees** for the use of the Trunk Lines are debited against each subscriber, to whom a **monthly account** is rendered, payable within seven days.

POSTAL FACILITIES. Any subscriber to a Telephone Exchange may telephone messages to any Post Office which can be reached through the local Exchange system, or by means of the P.O. Trunk wires, in order that the messages may be written down and forwarded as (*a*) Telegrams; (*b*) Express letters; (*c*) Ordinary letters of 30 words, each additional 30 words, or part thereof, being charged as a separate letter.

An **Express Letter** telephoned to a Post Office is delivered for the usual express delivery fee if it does not contain more than 30 words including the address. If the message exceeds that number, each additional 30 words, or part thereof, is charged for as a separate express letter.

The **services** of an **Express messenger** may be obtained by any subscriber on telephoning to the nearest Post Office which is connected with his Exchange, the **fees** being calculated upon the

whole distance travelled by the messenger from the Post Office. An account of the actual charges for these facilities is rendered at the end of each month to the subscriber, and is payable within seven days.

In most cases subscribers to exchanges can make general arrangements to have all **telegrams** addressed to them **delivered** by **telephone** instead of by messenger. Telegrams may also be addressed to the **telephonic addresses** of Exchange subscribers for delivery by telephone. The telephonic address to be used in such cases must comprise the subscriber's own name, Exchange, telephone number, and town, thus :—

Jones, Midland 245, Birmingham.

The **LONDON SYSTEM** of **internal telephones** renders it necessary for each firm in the metropolitan area to state their **telephone number** on letters, invoices, &c., so as to indicate in which district their premises are situate, as : *Telephone 9461, Bank.* There are several P.O. Exchanges in London, which is divided into telephonic districts, to each of which a special name is given, for instance, there is a Central Exchange, and a firm located in Holborn would be attached to this Exchange, and listed thus :—"13720, Central."

For **Unlimited service** in **London** the annual **subscription** payable to the Post Office for connection with any exchange within two miles of the subscriber's premises is **£17.** For an **Ordinary Message-rate** service for connection with any exchange **inside** the **County** of **London,** within two miles of the subscriber's premises, the annual **subscription** is **£5,** plus 1d. for each call to a subscriber on any exchange inside the County of London, and 2d. on any exchange outside the County. **Outside** the **County** of **London** the annual **subscription** is only **£4,** plus 1d. for each call to a subscriber on the same exchange, and 2d. for each call to a subscriber on any other exchange. The **minimum** yearly amount payable by each subscriber for **message fees** is **30/-.**

The **Party Line Message-rate Subscription** for connection with any exchange inside the London area, except the Central Exchange, is **£3;** and **outside** the County of London, is **£2.** The **minimum** yearly amount payable for **message fees** by each party line subscriber is **£3.**

Any person, whether a subscriber or not, may use a **Call Office** in London for a **fee** of **2d.** A list of Call Offices in the London Districts, occupying 21 pages, is given in the *Post Office Guide.*

Telephonic communication can be obtained with **FRANCE** and **BELGIUM** through the principal Exchanges in England and Scotland. Lists of subscribers in France and Belgium may be consulted at the principal Post Offices. The **fee** varies from 4/- to 12/- for three minutes.

Firms who have two or more places of business can have them connected by a **private wire,** or different parts of the same building can be connected by a private wire. These wires are entirely under the control of the firm, and can be used at any time without the intervention of the telephone official.

To **USE** the **TELEPHONE** it is necessary (1) In calling the exchange, either to turn the handle, or merely remove the receiver from the hook or rest, and place the receiver to the ear. (2) When the clerk at the exchange answers the call give the number of the subscriber required. If disengaged the instrument will be connected. (3) Keep the receiver to the ear until you hear someone at the other end, and then ask "Who are you"? (4) When you have finished the conversation replace the receiver and ring off. Unless the receiver is on its rest you cannot call or be called.

When it is desired to make a **Trunk Call** (1) Answer the exchange clerk by giving your *own* number thus: "444 Trunk." (2) The trunk operator should immediately ask what you require, when you will reply giving name of town and number required, say "Halifax 99x." (3) Replace the receiver and wait until the bell rings. (4) After the conversation don't forget to ring off.

It is imperative in the interests of business that **every message** and **reply** should be adequately **recorded** on a Telephone Message Form, by the attendant or telephone clerk, and this should be filed with the correspondence, after having been attended to. Blocks of Message Forms, similar to octavo Memorandum Forms, may be purchased at the stationers, or special forms may be printed.

TELEPHONE MESSAGE.

Date ..... Time .....

Message from .....

.....

.....

Reply .....

.....

.....

.....Attendant.

A **Fault** or interruption of the Service should be reported at once to the District Manager, and, if possible, on the printed memorandum form supplied for the purpose. **Complaints** as to inattention on the part of the operators at the exchange should also be made on these forms. No verbal complaints are recognised.

TEST PAPER 9.

1. What are the advantages of the telephone over the telegraph?

2. Name the kinds of instruments in use, and state what the telephonic system enables a business man to do without leaving his own desk.

3. What do the internal and external lines cover, and by whom are they controlled?

4. By what means have the public access to the telephone system?

5. Into what areas is the Telephone System divided, and what does the Directory contain?

6. To whom must application generally be made for installation of the telephone, and what are the usual terms for (a) Unlimited local service (b) Message rate service (c) The use of a party wire?

7. What are the fees payable both by subscribers and the public for the use of the trunk lines?

8. Name the Postal Facilities afforded by the telephone.

9. How are the charges for trunk wire services and postal facilities obtained from the subscribers, and what security does the Post Office hold in respect of such charges?

10. What are the special features of the telephone system of London? Name the principal terms for installation.

11. What is the charge made by the Post Office to the public in London for the use of the Call Office, and where may a list of these offices be found?

12. With what part of the Continent may telephone communication be had, and what are the fees?

13. What is a private wire?

14. Describe the use of the telephone (a) for a local call (b) for a trunk call.

15. Sketch a Telephone Message Form and state how it should be dealt with when the subject has been attended to.

16. What are the duties of the telephone clerk?

17. In the case of a fault in the service or of any complaint, what must be done?

18. What are the maximum dimensions and weight for inland letters and newspapers?

19. In order to secure compensation for the loss of an unregistered parcel, what condition must be complied with and what is the limit of such compensation?

20. How may postage be prepaid on letters otherwise than by affixing stamps?

21. If it is desired to have returned an undelivered book packet, post card or newspaper, what precaution should be observed?

22. What would it cost to have returned (a) a prepaid undelivered letter weighing 5 oz. (b) an undelivered parcel weighing 7½ lbs.?

23. On the receipt of a letter for an addressee who has removed, how, and within what period, may it be forwarded to such addressee without additional postage?

24. What is a Railway Letter?

25. If an uninsured parcel, 5 lbs., Aberdeen to Brussels, were lost, what is the maximum compensation that could be claimed?

26. To prevent pilfering, what does the Post Office recommend should be done with postage stamps?

27. What are Express Delivery fees for :—(*a*) A packet weighing 4 ozs., addressed to a person resident $2\frac{3}{4}$ miles from the P.O.?

(*b*) A packet, weighing 24 ozs., addressed to a person resident $\frac{3}{4}$ of a mile from the P.O.?

(*c*) Ten packets, weighing 6 ozs. each, addressed to persons resident in the same line of delivery, the greatest distance being $2\frac{1}{2}$ miles?

28. Set out the following letter in proper form :—from George Davison, Market Square, Brisbane, 1st May, 1910, to Goldwin and Oldbury, 15 Mincing Lane, London, E.C. A gentleman whose name is mentioned on the enclosed slip offers me his services. Before entering into connection with him, I beg you will be so good as to give me some information respecting his reputation, mode of doing business and pecuniary means. Be assured that any information you may give me will be treated as strictly confidential. Thanking you in anticipation.

MEASURES OF WEIGHT.

Avoirdupois Weight.

Drahm	= 27.34 Grains.					
16	1 Ounce.					
256	16	1 Lb.				
3,584	224	14	1 Stone.			
7,168	448	28	2	1 Quarter.		
28,672	1,792	112	8	4	1 Cwt.	
573,440	35,840	2240	160	80	20	1 Ton.

The Avoirdupois Weight is used in almost all commercial transactions. 1 lb. Avoirdupois contains 14 ozs. 11 dwts. 16 grains Troy, or 144 lbs. Avoirdupois is equal to 175 lbs. Troy.

Troy Weight.

Grains	Carat = 3.17 Grains.			
24	1 Pennyweight.			
480	20	1 Ounce.		
5760	240	12	1 Pound.	

This weight is used by Goldsmiths and Jewellers.

1 lb. Troy is equal to about 13 ozs. $2\frac{1}{2}$ drs. Avoirdupois, and contains 5760 grains; while the 1 lb. Avoirdupois contains 7000.

The Standard for Gold Coins is 22 carats of fine gold and 2 carats of alloy; for Silver 11 oz. 2 dwts. silver and 18 dwts. alloy.

SALE of GOODS.

TRADE is generally referred to as **Wholesale** or **Retail,** the former implying the distribution of goods by the manufacturer or large proprietor, and the latter their redistribution, by the seller or retailer, to the public. The **wholesale trade** is carried on either by the manufacturer or a merchant, so that traders may, generally speaking, be divided into **three classes** (1) the producer or manufacturer (2) the merchant, warehouseman, middleman or broker (3) the retailer or shopkeeper.

Articles of **trade** are generally referred to as goods, wares, commodities or merchandise. The term "goods" is sometimes used to distiguish the manufactured article from the raw material and generally refers to the articles in which a retailer deals. The term "wares" is used more particularly in reference to metal, glass and earthenware articles. The term "commodities" is principally associated with the chief articles of commerce, such as silk, wool, cotton, tea, coffee, &c., while merchandise generally refers to articles, whether in their raw or finished state, and which are the subject of import or export.

SALES of **GOODS** are principally effected as follows :—(1) by the owners, in which case they are **direct** sales (2) by a factor, broker or agent, when they are known as **commission** sales (3) by an auctioneer at a public auction, when they are termed **auction** sales. For instance, East India Kips are sold direct to tanners in this country by dealers in India; they may also be purchased from a commission agent in London; and at the public hide and skin sales, held at the London Commercial Sale Rooms, Mincing Lane, they are sold by auction.

The **law** relating to the buying and selling of goods was, until 1893, principally derived from a number of judicial decisions which had declared the custom or common law of the country. In that year, however, the law was codified and is now embodied in the **Sale of Goods Act, 1893,** the object of this Statute being to lay down rules when the parties have either formed no intention or failed to express it.

The contract for the sale of goods is a consensual contract; that is to say, one of the parties must consent to sell the particular goods, and the other party must agree to buy them.

A **CONTRACT** for the **sale** of **goods** is a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a money consideration, called the price.

Where under a contract of sale the property in the goods is transferred from the seller to the buyer, the contract is called a **sale;** but where the transfer of the property in the goods is to take place at a *future time,* or subject to some condition thereafter to be fulfilled, the contract is called an **agreement to sell.** An Agreement to sell becomes a sale when the time elapses, or the conditions are fulfilled, subject to which the property in the goods is to be transferred. From the definition of a contract of sale, it will be

noticed that this includes an agreement to sell, as well as a sale. The importance of the distinction between a sale and an agreement to sell lies in the fact that in the former case the property passes at once from the vendor to the purchaser, while in the latter case the goods remain in the possession of the vendor until the time for delivery has arrived.

A **contract** is an agreement enforceable at law arising out of an offer and acceptance. There are certain contracts which must be in **writing,** others may be entered into **verbally,** and some may be implied by **conduct.** As an example of the latter, the buyer of goods is desirous of meeting with something which may be difficult to meet with at the moment. The party to whom he applies sends a substitute for the article, with a message to the effect that the sender will conclude that the receiver will keep it unless it be returned at his reasonable convenience. If the receiver retains the article he is liable to pay for it, because his conduct has implied that he has contracted to do so. A contract for the sale of any goods of the **value** of **£10** and upwards is not enforceable by action, unless the **buyer** (1) accepts part of the goods so sold and actually receives the same, or (2) gives something in earnest to bind the contract or in part payment, or (3) unless some note or memorandum in writing of the contract be made and signed by the party to be charged or his agent in that behalf.

ACCEPTANCE. Where goods are delivered to the buyer, which he has not previously examined, he is not deemed to have accepted them unless and until he has had a reasonable opportunity of examining them for the purpose of ascertaining whether they are in conformity with the contract. Unless otherwise agreed, when the seller tends delivery of goods to the buyer, he is bound, on request, to afford the buyer a reasonable opportunity of examining them. The buyer is deemed to have accepted the goods when he intimates to the seller that he has accepted them, or when the goods have been delivered to him, and he does any act in relation to them which is inconsistent with the ownership of the seller, or when, after the lapse of a reasonable time, he retains the goods without intimating to the seller that he has rejected them. Unless otherwise agreed, where goods are delivered to the buyer, and he refuses to accept them, having the right to do so, he is not bound to return them to the seller, but it is sufficient if he intimates to the seller that he refuses to accept them.

The **MEMORANDUM** is required by law merely as a proof of the contract, for the contract exists, though it cannot be enforced, without this proof. The note or memorandum need not be made in any particular form, but should at least contain :—(1) The names of both vendor and purchaser. (2) The terms of the bargain. (3) The signature of the party to be charged. The memorandum may consist of various letters and papers if they are all connected, consistent and complete, but two separate papers which have no apparent connection with each other, cannot be connected by verbal evidence so as to form a contract.

A **contract** of **sale** may be subject to any **conditions** agreed to by the parties, and on the breach of such conditions an action for damages will lie. Sometimes, however, it happens that although the condition is broken, the other party acquiesces in the breach, he then loses his right to avoid the contract, but may still claim for damages; as for instance, where a man chartered a vessel on condition that she should carry 1000 tons, and he made use of her, after finding that she could not carry such a cargo, it was held that he had lost his right to avoid the contract. When goods are sold by description, it is an implied condition that they shall answer to their description, and until this condition has been performed, the seller has no right of action against the buyer for non-performance. The **principal conditions** in a contract for sale relate :—(1) to the nature and quality of the goods sold, (2) the price, (3) the delivery, (4) the payment.

(1) **NATURE** and **QUALITY** are generally referred to and determined by the use of the following expressions or terms :—

(*a*) **Sample.** A small portion drawn from the bulk of any merchandise, and serving as a specimen for the whole. Business is greatly facilitated by means of samples, especially as regards wines, spirits, teas, hops, wheat, valonia, and other produce, lying at the docks, or in a warehouse, as intending buyers are able to purchase goods from a sample shown them without going specially to inspect the bulk.

(*b*) **Type.** A type is a standard sample, representing a certain quality or crop, used when corn, rice, coffee, sugar, and other produce is sold "to arrive." The type is taken from the crop in the early part of the season, the year's growth being guaranteed equal to it. In most cases when the produce is found to be inferior to the "type," an allowance, settled by arbitration, is made.

(*c*) **Description.** A representation by words, trade marks, or brands, sufficient to distinguish the goods sold, without the production of either "Sample" or "Type." Where a purchase was made of "foreign refined rape oil, warranted only equal to sample," and the oil tendered was equal to sample, but was not "foreign refined rape oil," it was held that the purchaser was not bound to accept it.

(2) **PRICE.** The principal terms with reference to price are :

(*a*) **Loco** merely means that the price quoted is the price of the goods sold at the place where they lie, without including any charges whatever for transit or removal.

(*b*) **At Station** means that the price includes *cartage* from the warehouse of the seller, but not railway carriage.

(*c*) **On Rail** signifies that the price covers the cost of cartage and loading into the trucks of the Railway Company, but not railway carriage.

(*d*) **F.O.B.**—free on board—means that the price of the goods covers the cost thereof, carriage to port, and shipping charges, *i.e.*, the seller puts the goods on board free of all expense to the buyer, who pays the freight.

(*e*) **C. & F.**—cost and freight—means that the price is to cover the cost of the goods, shipping charges and freight, in fact all charges to the destination of the vessel except marine insurance.

(*f*) **C.I.F.**—cost, insurance, and freight—means that the price is to cover the cost of the goods, shipping charges, freight, and marine insurance.

(*g*) **Franco, Rendu, or Free**, generally means c.i.f., *plus* foreign import duty and carriage to the door of the buyer, *i.e.*, the price includes every possible charge.

(*h*) **In Bond** refers to imported goods liable to excise or customs duties, which are deposited in a Government or Bonded Warehouse until the duty upon them has been paid, consequently the price is plus the amount of duty.

(*i*) **Duty Paid** therefore means the opposite of the latter *i.e.*, the price is inclusive of the duty which has been paid by the seller.

(3) **DELIVERY.** The seller is not bound to send or carry the goods to the buyer if he affords the buyer reasonable facilities for taking possession of the goods.

(*a*) A **prompt delivery** is where goods, in the absence of anything to the contrary in the contract, may be delivered immediately.

(*b*) A **prompt sale** is one where goods are agreed to be sold for delivery and payment on a specified date, known as the *prompt day*.

(*c*) **Forward delivery** means that the goods are to be delivered at some future time, for instance, goods ordered in January may be for "March shipment."

(*d*) **To arrive** means delivery of the goods on safe arrival of the ship upon which the goods are or shall be shipped.

(*e*) **Free overside** is a term used when goods are sold "to arrive." It means that the seller's responsibility ceases as soon as the goods leave the slings overside the ship, and that the buyer must provide his own barge in which to receive the goods.

(*f*) **F.a.s.**—free alongside ship—denotes the place of delivery, and that the seller pays all charges upon the goods up to their reaching the ship's side, when the buyer must attend to their being put on board and pay the dues and charges for slinging, &c.

(*g*) **Spot** denotes the place where the goods actually are at the moment the sale is effected, and such goods are therefore ready for immediate delivery.

(*h*) **Ex-quay** means that the buyer has to take delivery of the goods when landed on the quay.

(*i*) **Ex-ship** signifies that the goods are sold free out of the ship, the purchaser providing the means of removal and the vendor's responsibility ceasing as soon as the goods leave the ship's side.

(*j*) **Ex-warehouse** means that the purchaser of the goods must provide conveyance from the warehouse door.

(*k*) **Shipment** and **sailing** mean that the goods are to be shipped on board the vessel during the month named: "20th August shipment" means that the vessel must sail not later than 20th August. "June—July shipment" means that the vessel must sail any time from 1st June to 31st July.

(4) **PAYMENT.** The following are the usual terms:—

(*a*) **Prompt Cash** means payment within two or three days after delivery of the goods, without discount.

(*b*) **Cash, Net Cash,** or **Ready Cash** means payment within ten days, without discount.

(*c*) **C.O.D.**—Cash on delivery—denotes that the party who carries the goods must receive the cost thereof before handing them over.

(*d*) **2½% for Cash** denotes that 2½% discount will be allowed on the cost of the goods, if payment be made within about a week from date of delivery.

(*e*) **5% within a month** means that a discount of 5% will be allowed on the cost of goods, if payment be made within one month from date of delivery.

(*f*) **3 mos. net** denotes that payment must be made on or before the expiration of three months from the date of delivery, and that no discount will be allowed.

(*g*) **Prompt Cash less 4 mos.** means payment within a day or two less 4 mos. interest at 5% per ann., *e.g.*, on £100 the discount would be £1 13s. 4d.

(*h*) **Cash against documents** means that the price of the goods is to be paid on delivery of the shipping documents (B/L. and Marine Insurance Policy).

(*i*) **Documents against acceptance**—D/A—means that the shipping documents must *not* be handed over to the buyer until he has *accepted* the B/E.

(*j*) **Documents against payment**—D/P—means that the buyer of the goods must *pay* or *honour* the B/E. before he shall be entitled to receive the shipping documents.

CONDITIONS and **WARRANTIES.** The general rule in a sale is that the buyer takes all risks as to the quality, fitness, and the condition of the goods. He is supposed to **examine** the **goods before** the **purchase,** but can protect himself by requiring a warranty. A contract of sale may be accompanied by one or more **warranties,** which are express or implied statements of something which the party undertakes shall be part of the contract, as, for example, where the seller warrants that a horse is sound, that a cargo of corn is of a certain quality, that the goods were manufactured by a particular firm, or that the commodity sold contains a definite percentage of some chemical ingredient. In sales by sample there is an implied warranty that the bulk shall correspond to the sample.

In a contract of sale, unless the circumstances of the contract are such as to show a different intention, there is—

(1) An implied condition on the part of the seller that in the case of a sale he has a right to sell the goods, and that in the

case of an agreement to sell, he will have a right to sell the goods at the time when the property is to pass.

(2) An implied warranty that the buyer shall have and enjoy quiet possession of the goods.

(3) An implied warranty that the goods shall be free from any charge or encumbrance in favour of any third party, not declared or known to the buyer before or at the time when the contract is made.

Where there is a contract for the sale of goods by **description,** there is an implied condition that the goods shall correspond with the description; and if the sale be by sample, as well as by description, it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.

Subject to the provisions of the Sale of Goods Act and of any statute in that behalf, there is no implied warranty or condition as to the quality or fitness for any particular purpose of goods supplied under a contract of sale, except as follows :—

(1) Where the buyer, expressly or by implication, makes known to the seller the particular purpose for which the goods are required, so as to show that the buyer relies on the seller's skill or judgment, and the goods are of a description which it is in the course of the seller's business to supply (whether he be the manufacturer or not), there is an implied condition that the goods shall be reasonably fit for such purpose, provided that in the case of a contract for the sale of a specified article under its patent or other trade name, there is no implied condition as to its fitness for any particular purpose.

(2) Where goods are bought by description from a seller who deals in goods of that description (whether he be the manufacturer or not) there is an implied condition that the goods shall be of merchantable quality; provided that if the buyer has examined the goods there shall be no implied condition as regards defects which such examination ought to have revealed.

(3) An implied warranty or condition as to quality or fitness for a particular purpose may be annexed by the usage of trade.

(4) An express warranty or condition does not negative a warranty or condition implied by the Sale of Goods Act, unless inconsistent therewith.

Sale by **Sample.** (1) A contract of sale is a contract for sale by sample where there is a term in the contract, express or implied, to that effect. (2) In the case of a contract for sale by sample— (*a*) There is an implied condition that the bulk shall correspond with the sample in quality. (*b*) There is an implied condition that the buyer shall have a reasonable opportunity of comparing the bulk with the sample. (*c*) There is an implied condition that the goods shall be free from any defect, rendering them unmerchantable, which would not be apparent on reasonable examination of the sample.

Lien of the **seller.** An unpaid seller of goods who is in possession of them is entitled to retain possesion thereof until payment or tender of the price in the following cases, namely :—

(1) Where the goods have been sold without any stipulation as to credit, or—

(2) Where the goods have been sold on credit, but the term of credit has expired, or—

(3) Where the buyer becomes insolvent.

Stoppage in **Transitu** means the stoppage of goods in course of their transit from one place to another. Although the seller's lien is gone when the goods are delivered to a carrier for transmission, he may resume possession of them and may retain them until the payment or tender of the price, if, since they have left his establishment, the buyer has become insolvent. While a carrier is an agent of the buyer to receive goods from the seller, an *actual receipt of the goods* by the buyer is needed to destroy the seller's right of stoppage.

A **Sale** by **Auction** is complete when the auctioneer announces the completion by the fall of the hammer. Until such announcement is made any bidder may retract his bid.

TEST PAPER 10.

1. Into what classes are traders generally divided?
2. By what terms are articles of trade referred to?
3. How are sales of goods principally effected?
4. What is a contract for the sale of goods, and what is the difference between a sale and an agreement to sell?
5. How may contracts be made and what is necessary in order to render a contract for sale of any goods of the value of £10 and upwards enforceable?
6. What is meant by "acceptance"?
7. What is the object of the "memorandum" and what should it contain?
8. Relate the principal conditions in a contract for sale.
9. What is meant by "sample," "type," "description"?
10. Name the principal terms with reference to the price of goods.
11. Give four examples of the terms relating to delivery.
12. State six terms relating to payment.
13. What is a warranty?
14. What is implied when goods are sold by "description"?
15. What is a contract for sale by sample?
16. Under what conditions has the seller of goods a lien thereon?
17. Explain "Stoppage in Transitu."
18. When is a sale by auction complete?

COMMERCIAL ENQUIRIES and DOCUMENTS.

The **introduction** of **business** is brought about in various ways, but principally (1) through the medium of commercial travellers, who book the orders of their customers, dispatching a copy to the firm the same day the order is received; (2) through the medium of written orders dispatched direct from the buyer to the seller; (3) by telegraph, telephone, or verbally, in the latter case principally on market days at the various Exchanges, all such orders being afterwards **confirmed** in **writing.**

Immediately on the **receipt** of an **order** from a firm with whom there have been no previous dealings care must be exercised in **giving credit,** unless the reputation of the new customer is beyond dispute. The principal modes of enquiring about the methods and financial standing of customers are :—(1) to ask the new customer to supply **references,** to whom letters similar to those given below may be addressed; (2) to make an enquiry through one's own **banker.** The fact that the large banking concerns have branches throughout the kingdom renders enquiries by this medium comparatively easy, particularly where a new customer has an account with the same banking company as the firm from whom he orders goods. Many firms in sending a first order voluntarily give the names of their bankers as references. It is not, of course, permissible for bankers to disclose the secrets of their customers, but there are no objections to answering enquiries in general terms; (3) to make an enquiry through one of the **Mercantile Enquiry Agencies,** such as Stubbs' or Kemps'.

The following are **examples** of **letters** in connection with enquiries on the opening of new accounts :—

(Acknowledging order from new customers).

We are obliged by your letter of yesterday enclosing order for goods, but, as this is our first transaction with you, we must ask you to be kind enough to forward us a cheque for the amount of the enclosed invoice, or satisfactory references.

(New customers' reply, with reference).

In reply to your letter of the 5th inst., we were under the impression that our name was already known to you. We have, however, pleasure in referring you to Messrs. Brown & Robinson of 50 Park Lane, Leeds, with whom we have done much business during recent years.

As we are in urgent need of the goods ordered, please let us have immediate delivery.

(Enquiring as to stability of new customers.)

Confidential.

Messrs. Kaye & Co., of Market Street, Birmingham, desire to enter into business relations with us, and have given your name as reference.

We shall be much obliged for any information as to the standing of this firm, and particularly whether you think it safe to grant them credit to the extent of £250. You may rest assured that any information that you may give us will be treated as strictly confidential. It would give us great pleasure to render you a similar service should occasion arise.

Thanking you in anticipation.

(Reply to enquiry concerning new customers.)

Replying to your enquiry as to Messrs. Kaye & Co., of Market Street, Birmingham, we have pleasure in stating that we have carried on business with this firm for the past 8 or 10 years, and have always found them prompt in their payments and business-like in all their dealings. We should have no hesitation in granting them credit for more than the amount you name.

(Enquiring as to another customer.)

Confidential.

A gentleman, whose name is mentioned on the enclosed slip, desires to open business with me and has given me your name as a reference. Before entering into connection with him, I shall be glad if you will be so good as to give me some information respecting his reputation, mode of doing business and financial means. Be assured that any information you may supply will be treated as strictly confidential.

Thanking you in anticipation.

(Unfavourable reply to enquiry.)

In answer to your enquiry relative to Mr. A.B., I am surprised that my name should have been given to you by this gentleman, as my business with him has been small in amount, and I have had much trouble in obtaining settlement of my account. I certainly cannot advise you to grant him credit for anything beyond a very small amount.

The third method of making confidential enquiries is through the medium of a local **Trade Protection Association,** or one of the **Mercantile Enquiry Agencies,** the principal advantage being that such an enquiry may be made without the knowledge of the customer. Some of these agencies have been in existence for upwards of half a century, and now form an essential feature of the commercial world. Their business consists of :—

(1) Giving confidential advice;
(2) Issuing a Gazette;
(3) Collecting debts.

These Mercantile Agencies are possessed of a mass of information relating to the business world, which is duly classified in their **Registers.** Through the medium of their nearest branches, sub-offices, agents and bankers, throughout the kingdom, they are in a position to secure much information relative to traders and others. In order to take advantage of these Agencies it is necessary to become a **subscriber,** the fee varying from £2 2 0 per annum upwards, according to the services required, which generally includes a book of **Status Enquiry Forms** and the delivery of the Weekly Gazette. The information supplied, as the result of careful and thorough examination and enquiries, is frequently the means of removing groundless suspicions and apprehensions which would otherwise seriously restrict trade operations. The utmost privacy, promptitude, and accuracy are observed in procuring and transmitting information. The following is an example of a reply to an enquiry :

£150. **Strictly Private.** *6th July, 1917.*

In reply to your enquiry respecting C. E. Dyson & Co., 3 Hill Place, Oxford Circus, Caleb Enoch Dyson is said to be sole proprietor and is reputed to be doing a moderate trade in waterproof goods. His means are thought small and only little credit is advised, and even then with caution. Figures quoted far too high. They have an account with the "Capital & Counties Bank," Oxford Street, which does not, however, speak much in their favour.

MERCANTILE GAZETTES contain a variety of records relating to business establishments, and particularly the following :—

ENGLAND & WALES.—Bills of Sale, Debentures, Mortgages, and other liens by Public Companies, Judges' Orders, Warrants of Attorney, Cognovits, County Courts' Judgments and Satisfactions entered in those Registers ; Deeds of Arrangement, Bankruptcies, Receiving Orders, Schemes for Arrangement, Bankruptcies Annulled, Notices under Bankruptcies, Dividends Payable, Orders of Discharge, Winding-up of Public Companies, Administration Orders, and Dissolutions of Partnership.

SCOTLAND.—Protests on Bills of Exchange, Decrees in Absence, Sequestrations, Trust Deeds, Dividends Payable, Petitions for Cessio Bonorum, Winding-up of Public Companies, and Dissolutions of Partnership. The Scottish Edition also includes a Special Supplement containing Extracts from the Court Books of Decrees in the Debts Recovery and Small Debt Courts, whether in Presence, of Consent, in Foro, and Contested Cases.

IRELAND—Judgments, Bonds, Bills of Sale, Debentures, Mortgages, and other liens by Public Companies, Deeds of Arrangement, Petitions for Arrangement and Confirmation Orders, Bankruptcies, Insolvencies, Assignments, Bankruptcy Notices, Winding-up of Public Companies, and Dissolutions of Partnerships.

The **PRINCIPAL DOCUMENTS** connected with the sale of goods are (1) Prices Current, (2) Price Lists and Quotations, (3) Tenders, Estimates and Firm Offers, (4) Orders, (5) Contract Notes, (6) Delivery Orders, (7) Invoices, (8) Debit Notes and Credit Notes, (9) Statements, (10) Cheques, (11) Bills of Exchange, (12) Receipts.

A **PRICES CURRENT** (P.C.) is a list showing the *market price* of commodities at the time of its publication, and is merely intended to show the *tendency* of prices. These lists are published in the daily newspapers, and also in the various trade journals. Many merchants issue a prices current to their customers either weekly, fortnightly, or monthly, showing the articles dealt in, and the current market price of each. Some firms keep blank forms of prices current, the names of the staple articles of their establishment being printed, the columns for prices being left blank. It must be noted that no firm issuing a prices current is bound to sell at the prices named thereon, as the market is subject to constant fluctuation, the prices in many commodities varying from day to day.

Extract from Market Reports, 23rd June, 1906 :—

COFFEE :—Moderate supplies submitted to public sale this week proceeded quietly at previous prices. East India Coorg: A, 54s. 6d.; B, 47s. 6d.; C, 44s.; peaberry, 50s. to 55s. 6d. Nelliampathy: A, 47s.; B, 44s.; C, 40s.; peaberry 49s. to 51s. Neilgherry: A, 54s. 6d.; B, 47s. 6d.; C, 43s.; peas, 51s. 6d. Colombian: good to fine bold greenish, 59s. to 64s. 6d.; middling to good middling, 47s. to 51s. 6d.; low middling grey, 43s. to 44s. 6d. Costa Rica: fine bold smooth 74s.; good bold colory, 70s. to 72s.; fair greenish bold, 57s. 6d. to 60s. 6d.; peas, 54s. 6d. to 74s. Guatemala: good bold greenish, 55s. to 57s.; peas, 54s. to 54s. 6d.; Salvador, Maragogipe, 112s.; Nicaragua, fine colory bold, 67s. to 72s.; good, 61s. to 62s.; peas, 50s. to 70s. The future delivery market remained in a slow state during the week. Santos, September, sold, 36s. 3d. to 36s. 10½d. and 36s.: December, 36s. 7½d. to 36s. 6d.; March 37s. 1½d. to 36s. 10½d. per cwt.

Imports and deliveries of coffee into London since January 1st to 16th inst., with stock at latter date :—

	1906. Tons.	1905. Tons.	1904. Tons.	1903. Tons.
Imported	23,680	31,280	32,970	35,830
Delivered home use	8,450	7,840	7,560	8,220
,, export ,,	15,490	20,980	12,400	14,100
Stock	23,200	36,890	45,720	37,950

LEEDS HIDE, SKIN AND FAT MARKET.

PRICES.

SALE 2-30 P.M., FRIDAY, 12th JANUARY, 1907.

HEIFER HIDES.

lbs.	Forward Price to 18th Jan., 1907.
95 and upwards.	4¼d. to 4¼d. per lb.
85 to 94	3⅞d. to 3⅞d. ,,
75 to 84	3⅝d. to 3⅝d. ,,
65 to 74	3⅜d. to 3⅜d. ,,
56 to 64	3¼d. to 3¼d. ,,
55 and under	3⅛d. to 3⅛d. ,,

Joseph Watson & Sons, Brokers.

A **PRICE LIST** merely shows the *definite* price of articles offered for sale. These lists are issued by manufacturers, merchants, and retailers in the form of circulars, to their respective traders, also newspaper advertisements and handbills. Unlike a prices current, a price list gives the figures at which the advertiser is prepared to sell.

PRICE LIST OF FREDK. BAX & SON,

35 BISHOPSGATE STREET WITHOUT, LONDON, E.C.

CEREALS.

	per lb.	per 7 lbs.
Pearl Barley, Finest	3d.	1/6
Scotch Barley, Finest	2d.	1/-
Barley Flour	4d.	2/-
Haricots, Finest Large	4d.	2/-
Haricots, Finest Medium... ...	2½d.	1/3
Haricots, Good Small	2d.	1/-
Red Haricots	4d.	2/-
Green Haricots	8d.	4/6
Butter Beans	4d.	2/3

A **QUOTATION** is a statement of the price and terms upon which certain articles can be supplied, and is therefore very similar to a price list. A quotation generally takes the form either of (1) a circular offering certain goods, or (2) a reply to an enquiry asking for the price of goods.

WILLIAMS BROS. & CO.,

MANUFACTURERS OF ANILINE AND OTHER COAL TAR DYES,

HOUNSLOW.

SPECIAL QUOTATIONS.

COTTON COLOURS.

	per lb.
Superfine Bismarck Brown, N.R.	1/2
Pure Chrysoidine, Y.B.	1/2
Pure Violet, 3B Con.	1/5½
Brilliant Green Crystals, Y.	1/5½
Malachite Green Crystals, B.	1/7
Malachite Green Powder	1/6

N.B.—The above colours are all of the purest possible quality. Samples sent on application.

A **TENDER** or **ESTIMATE** is a written offer to supply a given quantity of goods, or to carry out specified works, at certain prices and upon the terms mentioned in the specification. A tender is the first step in the formation of a contract. An advertisement, circular or letter that tenders are required for the carrying out of certain work, or the delivery of certain goods is nothing more than an invitation to offer, and has no legal effect. Until the tender is accepted there is no binding contract.

Responding to your kind enquiry re price of "Student's Business Methods," we shall be pleased to supply 2000 copies exactly on the terms of your specification, 160 pages, for the sum of One hundred and fifty pounds (£150); additional thousands to be run off at same time, £32 per thousand.

Trusting to have the favour of your order.

A **FIRM OFFER** or Refusal is the act of one person giving to another the opportunity of buying certain goods at a given price, such offer to be accepted within a stated time. This option given by the owner of the goods prevents him offering the same goods to anyone else until the proposed purchaser has either refused the offer or the time fixed has expired.

Referring to our conversation on the Exchange yesterday, I now beg leave to give you the refusal, until 2 o'clock on Wednesday next, of the 50 pieces of Fancy Tweed at 3/1. Hoping to be favoured with your order.

An **ORDER** is a verbal or written instruction addressed by one person to another, requiring that something shall be supplied at the prices and upon the terms mentioned. An **Order Form** is therefore a document or instrument sent by the buyer to the seller of goods, giving the prices and particulars of goods to be supplied. Order Forms are generally made up in books so that a **carbon copy** is produced at the same time as the order is written out.

It is advisable that all orders should be reduced into writing, particularly in view of the provision in the Sale of Goods Act, that no contract shall be enforceable at law, in respect of **goods** of the **value** of **£10** and upwards, unless such goods have either been accepted or partly paid for, or unless some note or **memorandum** in writing of the contract has been signed by the party to be charged. It is immaterial in what form the order is stated in writing, so long as all the essentials are included. The contract may merely be upon a single order form or it may be contained in a **series of letters,** all of which are equally binding. To put it shortly all **verbal bargains** and agreements should be **confirmed** in **writing**; *first,* to obviate any misunderstanding as to the terms of the transaction; *secondly*, to render the contract binding.

There are a variety of methods used in business houses in recording orders, but the principal method consists in the use of an order book which should at least have the following 7 columns: (1) Date received, (2) Name and address, (3) Description of goods ordered, (4) Price, (5) Date sent, (6) Description of goods sent, (7) Sales Book Folio. It is essential that every order should be entered in this book immediately it is received, and that its execution should be entered the day the goods are dispatched.

In some establishments each **order** is entered upon a separate **printed form,** specially ruled to accommodate the class of goods dealt in, and after execution, these sheets are placed in a file, which constitutes the **Sales Day Book,** as well as the **Order Book,** thus effecting a great economy of labour. Where Commercial Travellers are employed they would be supplied with these specially ruled sheets upon which to enter the order of each customer, so that no recopying of the orders would be necessary when they reached the offices.

SPECIMEN ORDER FORM.

Telegraphic Address—
"AVISON, BATLEY."
Telephone No. 136.

Order number to be quoted on invoice. 150

58 PARK ROW,
BATLEY, *12th March, 1917.*

To *Messrs. J. W. Bean & Son,*
17 Boar Lane, Leeds.

Please supply the goods detailed below as soon as possible, and oblige.

Yours faithfully,
RICHARD AVISON.

5000 Manilla Foolscap Envelopes, $9\frac{1}{2} \times 4\frac{1}{2}$.
1000 Manilla Draft do. $11 \times 4\frac{7}{8}$.
1 dozen Premier Files, Quarto.

Instructions for forwarding :—

Per *L. & N. W. Ry. Co.*

A **CONTRACT NOTE** is a document containing the terms of a bargain entered into on behalf of a client; a brief statement of the terms of a contract; in other words it is a memorandum of a transaction carried out by a broker for or on behalf of other persons. This term is commercially applied to the **Bought** and **Sold Notes,** which are sent by the broker to the buyer and seller respectively, containing a short record of the transaction. These notes are made out from the entries contained in the Broker's Contract Book. Contract Notes relating to the sale of goods are exempt from stamp duty, but those having reference to dealings in stocks and shares, &c., require to be stamped.

WIMPENNY & CO., 185 QUEEN STREET,
BROKERS. LONDON, E.C.....1917.

M.....

.....

We have this day (bought of or sold to) you on account of our Principals :—

Quantity	
Description	
Price	
Delivery	
Discount	
Prompt	
Payment	
Commission (or Brokerage)	

An **AGENT** (**AGT.**) is one who is empowered to represent a principal, or one who buys or sells, or is entrusted with the business of another. Contracts and arrangements made by an agent are

binding upon his principal or employer, provided they are made in the usual course of business, and are understood to be on behalf of his principal. Every Manager, Clerk, Traveller, Workman, or other employee of a trader is an agent within certain limits for carrying on the business. A **Broker** is an intermediate agent employed by merchants and others to buy and sell any commodity or security for them. The **fee** charged by brokers for transacting business for their principals is called **brokerage,** and almost invariably takes the form of a percentage on the price of the subject matter of the contract. Stock-brokers call it **commission.**

A **Factor** is an agent dealing *in his own name,* entrusted with the possession, management and disposal of property belonging to another. The general **duty** of a factor is to procure the best intelligence of the state of trade at his residence; of the course of exchange; of the quantity and quality of the goods at market; their present price, and the probability of a rise or fall; to pay exact obedience to the orders of his employers; to consult their advantages in matters referred to his discretion; to execute their business with all the dispatch that circumstances will admit; to be early in his intelligence, distinct in his a/cs., and punctual in his correspondence. The **differences** between a **Factor** and **Broker** are as follows :—A Factor (1) deals in his own name, (2) is always personally liable on his contracts unless he contracts specially as agent, (3) has possession of goods as well as being entrusted with their disposal. A Broker (1) deals in the name of a principal, (2) is never personally liable unless he contracts as principal, (3) is entrusted with disposal of goods but not possession.

Del Credere is a term used in trade, in reference to an agreement between an agent and his principal, whereby the former, in consideration of an *additional* amount being paid to him, besides his usual commission, undertakes to **guarantee** the payment for goods sold through his agency, and becomes thereby liable to his principal for the amount, in case of the insolvency of the purchaser. Such extra commission to the agent is called "del credere."

A **Dock** or **Warehouse Warrant** (**D.W.**) is the receipt for goods lodged in a public warehouse, showing the date of entry, to whom the goods belong, the date rent commences, and such other particulars as are necessary to identify the goods. It requires a 3d. stamp.

A **Delivery Order** (**D.O.**) is an unstamped document from the owner of goods lodged in a warehouse, dock or wharf, instructing the superintendent to deliver goods to the person named therein, or to his **order,** or to **bearer.** When made in favour of the "bearer" no endorsement is required; but one made to "order," if transferred, must be endorsed.

Merchants usually have their Delivery Orders printed in book form with a counterfoil. Neither a D/W. nor a D/O. are legally recognised as documents of title, but simply as **authorities** to obtain **possession** of the goods. The following is a specimen of a D/O. :—

No. 52. 85 MARK LANE,

LONDON, E.C.....1917.

TO THE SUPERINTENDENT :—

.....

Please deliver to.....

the undermentioned Goods entered by .....,

on.....*in the Ship* .....

Captain.....*from*.....

Charges.....

Marks.	No.	

TEST PAPER 11.

1. By what methods are sales of goods principally effected?

2. What steps must be taken before giving credit to a new customer?

3. State the business of Mercantile Enquiry Agencies.

4. Enumerate the principal documents used in connection with the Sale of Goods.

5. State the difference between Prices Current and Price Lists.

6. What is a Quotation?

7. What is a Tender or Estimate? Give an example.

8. What is meant by a "Firm Offer"?

9. Why should orders generally be reduced into writing?

10. How are orders generally recorded in the office?

11. What is a Contract Note, and is it subject to stamp duty?

12. What is the difference between an Agent and a Factor?

13. What is the meaning of the term "Del credere"?

14. What is a Delivery Order, and in what respects may the form of an order differ?

15. What is the essential difference between a Contract Note and an Order Form?

16. Write a letter enclosing three patterns, ordering one piece of each pattern. Scotch Tweed at 2/10; Black Nap at 3/8; Blue Melton at 6/6; to be delivered by L. & Y. Railway Co. during December. Terms 2½% discount for cash on 1st February. This being a first order give name of banker.

INVOICES and STATEMENTS.

An **INVOICE** (**Inv.**) is a statement setting forth full particulars as to the quantity, quality and price of goods sold or consigned to a purchaser or factor; the contents and marks of each parcel, and the charges (if any) upon them. Whether you purchase or sell goods, it is customary and advantageous for an invoice to pass between the parties, simultaneously with the transmission of the goods.

A **Pro Forma** invoice is an imaginary one made out *for form's sake,* in order to ascertain what the charges are likely to be; and also for the use of the Customs authorities when goods are being consigned to some place abroad. Some merchants, when receiving orders to buy certain goods somewhat outside their general line of business, ask for a *pro forma invoice* of the items they are about to purchase, in order to ascertain the current market price of the goods, the manner and cost of packing, the discount, terms of payment, and the approximate cost the order would amount to. Such an invoice must be made out with care, as it is really a quotation, and should it be accepted, the invoice sent on the execution of the order will be practically a copy of the *pro forma* invoice, and must not exceed the latter in total cost, unless it is stated on the *pro forma* invoice that the packing charges, &c., are only estimated, or that the quotation only holds good for so many days.

Pro forma invoices are also sent to buyers who are unknown to the sellers, and who do not send references; or to buyers with whom it is considered undesirable to open a credit a/c. A letter is sent with the invoice respectfully drawing the buyer's attention to the fact that as this is the first transaction a *pro forma* invoice is enclosed, and on receipt of cash the goods will be dispatched.

Invoices are usually made out on ruled octavo or quarto paper with printed or engraved headings, showing the name, address, and occupation of the seller, telephone number, telegraphic address, cable code, and sometimes the terms. In addition to the printed heading the **invoice clerk** should at least give the following particulars: (**1**) the date of dispatch, (**2**) the name of the buyer, (**3**) the terms, (**4**) quality, by description or number, (**5**) the quantity in length, weight, number, or volume, (**6**) price, in accordance with the record in the Order Book, (**7**) charges for packing (if any), (**8**) total amount, (**9**) whether carriage paid or forward, (**10**) the mode of transit, (**11**) the marks on the bales, cases, &c. (if any).

Firms who only deal in one or two articles, of different qualities or sizes, find it very economical to **print** the **whole list** on the **invoice,** so that it is only necessary to insert the date, name of buyer, quantity and amount in each case.

No invoice should be **dispatched** until (**1**) all the details, calculations and castings have been carefully **checked** by a second clerk, (**2**) either a carbon or a press **copy** has been taken.

It is **not** advisable to **enclose** an **invoice** in the **parcel** to which it relates; it should be sent by post so as to act as an **advice** to the

buyer as to the dispatch of the Goods. The inland **postage** on an invoice not exceeding 2 oz., in an open envelope is ½d.

On **receipt** of an invoice, the **buyer** should **check** the details with the carbon or press copy of the **order** to see that they correspond and should also check the calculations and castings; upon completion it should be duly **initialled** by the checking clerk.

There are various ways of **preserving** invoices, the principal being (1) to place them in a **file** or to docket them, (2) to fold and paste them into a **Guard Book**, which is a large scrap book, made of cartridge paper and foliced. Money columns run down the right-hand side of each page, into which are extended the totals of the various invoices, thus :—

Folded Invoice Endorsed.

3 August, 1917. James Cecil.....	1	78	4	-

The **advantages** of an invoice are (1) the purchaser has notice that the goods have been forwarded and if they do not arrive in due time enquiries may be made; (2) on the arrival of the goods they may be counted, measured, weighed or tested in order to see that they answer the description given on the invoice. Any mistake should be immediately communicated to the seller, so that it may be rectified; (3) it states whom the seller considers to be his debtor—that is, to whom he will look for payment; (4) the seller's intentions are stated in detail as to quality, quantity, price, &c., consequently there is no doubt about the cost and the amount being debited. If the price be wrongly stated, the buyer may immediately object and have the invoice corrected; (5) it is the basis for the record in the books of account, from one of which, the Ledger, the periodical Statement is prepared.

When **weighing goods** care must always be taken to deduct the weight of any article in which the goods may be contained, so as to show the **net** weight chargeable. See Invoice No. 12, page 113. This is termed **TARE**, which may be defined as the weight of a case, bag, box, sack, chest, can, glass, wrapper, or other article wherein goods are packed; hence the word is also used as meaning the allowance, deduction or abatement made in respect thereof from the **gross weight** of the package.

Tare is calculated in five different ways, viz. :—

1. By **Real** tare, which is found by actually ascertaining the weight of the boxes, sacks, vessels, &c., wherein goods are packed, and deducting it from the gross weight.

2. By **Average** tare, where the packets are numerous and of a similar size, when only a few are weighed so as to form an average for the whole.

3. By **Customary** tare, which is an established allowance for the weight of packages on the gross weight of certain goods, fixed by the custom of each particular trade.

4. By **Estimated** tare, which means that the weight of the packages is computed and an estimated allowance agreed upon at the time of sale.

5. By **Super** tare, by granting an additional allowance when packages exceed a certain weight.

Tret is an old customary allowance of 4 lbs. on every 104 lbs. on certain articles of merchandise as a compensation to the buyer for wear, damage or deterioration in transit, or for the dust or sand mixed with any commodity.

Draft or **Waste** is an allowance or deduction often made on the gross weight of goods in consideration of their being damp, or mixed with dust, rubbish or other extraneous substance.

DISCOUNT is an abatement or allowance made upon the payment of a sum of money, and usually takes the form of a percentage deduction. Thus, if you purchase goods value £10, and the invoice states "$2\frac{1}{2}\%$ in 30 days," it means that the seller will accept, any time *within* 30 days from the date of the invoice, the sum of £9 15 0 in discharge, thereby allowing 5/- for discount. There are two forms of commercial discount :—

(*a*) **Cash Discount** is an allowance made on the *prompt payment* of a debt, or before it is due, or for payment within a given period, as illustrated above.

(*b*) **Trade Discount** is an allowance (usually specified on the invoice) given by wholesale merchants to retail dealers (irrespective of time), varying from $2\frac{1}{2}\%$ to 95%, in accordance with the custom of each particular trade. As an illustration of trade discount, the case of a cabinet brass-founder, who manufactures many hundreds of articles, may be mentioned. When the market price of copper is, say, £70 per ton, and Spelter is £17 10 0, the trade discount he takes off the price at which every article appears in his Pattern Book, is, say, 20%. If copper should advance in price to £75 per ton, instead of altering the price of every article he manufactures, he lowers his trade discount from 20% to 15%. He thus accomplishes with a stroke of his pen what would otherwise require weeks of labour. Trade discount is always **deducted** from the price of goods as shown on the **invoice,** so that only the net amount is posted to the Ledger. Frequently a cash discount is allowed after the deduction of trade discount. See Invoice No. 2, next page.

1

Invoiced by *N.D.* Checked by *A.F.* S.B. Folio 76

Telegraphic Address:— "BOOKS: LEEDS." 17 Boar Lane,

Telephone No 1578. LEEDS, *14th January, 1916.*

Messrs. John Heywood, Ltd., Manchester.

Bought of J. W. BEAN & SON,

Printers and Booksellers.

Terms—Net. Per L. & N. W. Pass. Ry. Co. Carriage forward.

6	doz. Manuscript Ledgers.....@	4/6	£1	7	-

2

Telegraphic Address—
"LLOYDS BIRMINGHAM."

Telephone Nos. 282 & 3498.

Trade Mark—
L. & L.

Nile Street,
BIRMINGHAM, *23rd March, 1917.*

The Selby Gas Co.

Bought of STEWARTS & LLOYDS, LTD.,
Manufacturers of Tubes and Fittings.

1/8	19 Lengths Gas Tubes ..... 302" 6	4½	5	13	5			
1/8	23 " " " ..... 305" 6	3½	4	9	1			
			10	2	6			
	Trade Discount	75%	7	11	10	2	10	8
2/2	86 Long Screws, Steam	10	1	10	-			
	Trade Discount	65%		19	6		10	6
						£3	1	2
	Cash Discount	2½%					1	6
	Received by Cheque, £2 19 8, 13th April, 1917.					£2	19	8
	Per Pro. Stewarts & Lloyds, Ltd., E. Jones, Assistant Cashier.							

3

Telegraphic Address—
"CARLTON, LEEDS"

Carlton Works, Armley,
LEEDS, *22nd August, 1917.*

The Holmfirth Gas Light Co.

Bought of WILSONS & MATHIESONS, Limited.
Gas Apparatus Manufacturers.

"Sheraton" Gas Fire Bronzed Canopy	2	10	-			
Canopy	1	17	6			
	4	7	6			
33⅓%	1	9	2			
				£2	18	4

4

Telegraphic Address—
"SAWER, MANCHESTER" Miles Platting,

Telephone No. 3289. MANCHESTER, *7th Sept., 1917.*

The Goole Gas Co.

Bought of SAWYER & PURVES,

Manufacturers of Wet and Dry Gas Meters.

2	Doz. ½" Main Taps No. 119	25/6	2	11	-			
2	,, ⅝" ,, ,, ...	38/9	3	17	6			
2	,, ¾" Levers ,, ...	2/6		5	-			
			6	13	6			
	Less	20%	1	6	8			
	Per L. & Y. Ry. Carriage Paid					£5	6	10

5

Telegrams:—
"CLOTH, HUDDERSFIELD." 907 New Street,

Telephone No. 160. HUDDERSFIELD,

28th November, 1917.

Thomas Sykes, Esq., Park Lane, Leeds.

Bought of SILVERWOOD & CO.,

Woollen and Worsted Manufacturers.

Terms:—*One clear month's credit, Dis.* 2½%.

Stock No.	Yards.			£	s.	d.
2834	51 as 50	Black Serge	@ 1/11	4	15	10
2936	44 ,, 43	,, Vicuna	2/2	4	13	2
3004	46 ,, 45	Blue Beaver	2/6	5	12	6
4616	59 ,, 58	Light Fancy Tweed	2/8	7	14	8
1718	63½ ,, 62½	Coarse Fancy Cheviot	3/-	9	7	6
5108	49 ,, 48	Black Worsted	3/1	7	8	-
7346	52 ,, 51	Woollen Cord	3/4	8	10	-
5110	29 ,, 28½	Grey Overcoating	3/6	4	19	9
5111	37 ,, 36	Oxford	3/7	6	9	-
			£	59	10	5

6

Telegrams :—
"WEST, LONGWOOD."
Telephone No. 340.

Bridge Mills,
Longwood,
HUDDERSFIELD, *15th June, 1917.*

Messrs. Haigh Bros., Manchester.

Bought of FREDK. BROADBENT & SONS,

Terms—2½% October. Fancy Woollen Manufacturers.

27448	V2333/2	Black Vicuna	57	yds.					
28065	„ „	„ „	58						
27366	„ /3	Blue „	56½						
25602	„ /5	Brown „	54¾	226¼	4/2	47	2	8
23701	2796/3	Fancy Tweed	57½	yds.					
02	„ /5	„	58						
03	„ „	„ (¼ stg.) 55¼	55						
04	„ /6	„	55						
28701	2325/1	„ (¼ stg.) 58¾	58¼						
82	„ /13	„ „	58¼	342¼	1/9	29	18	11
			Can	vas.			3	11
		L 3/2 per M. Ry., carr. paid.				£	77	5	6

7

Wool Exchange, Coleman Street,
LONDON, E.C., *11th May, 1917.*

Messrs. Brooke & Sons, Huddersfield.

Dr. to THOMAS GOOCH & SONS.

For 12 Bales of Wool bought this day. Thomas & Cook, 9/3/17.

Mark.	Lot.	Bales	Bale No.	Cwts.	Qrs.	Lbs.		Price	£	s.	d.
Murray	227	7	38	2	1	2					
			55	2	1	6					
			60	2	-	25					
			64	2	-	16					
			68	2	1	1					
			107	2	1	-					
			51	2	-	25					
				15	2	19					
			*11/1		3	9					
				14	3	10	1662	1/6	124	13	-
					Lot Money ...					1	-
									124	14	-
					Com. 1%				1	4	11
								£	125	18	11

* Allowance for Tare 11 lbs. for each bale..... 77 lbs.
1 lb. for Draft for each cwt... 16
93

8

BRADFORD, *8th May, 1917.*

Messrs. Harrison & Parker, Dewsbury.

Bought of WILKINSON & CO.,

Terms—Prompt Cash less 4 mos. Wool Merchants.

No.	Tare	Cwts.	Qrs.	Lbs.					
386	8	3	2	12					
381	8	4	1	19					
382	8	4	3	16					
384	8	2	1	12					
		14	3	59					
				32					
		14	3	27	or 1679 lbs. of Tops @	16½	£115	8	8

9

HALIFAX, *20th March, 1917.*

Messrs. Geo. Turner & Co., Ltd., Batley.

Bought of JAMES RAMSDEN,

Worsted Spinner.

To 2/28/60 No. 1222 shade 37½ } 39½	2/10	5	11	11
„ 2/24/60 „ 1222 „ 2 }				
„ 2/36/60 „ 750 „ 64½	3/-	9	13	6
„ 2/48/60 „ 750 „ 100¾	3/2	15	19	7
„ „ „ 710 „ 8	3/4	1	--	8
		32	4	5
Cr.				
By 2/48/60 „ 1222 „ 18½	3/2	2	2	9
	£	30	1	8

10

DUNDEE, *25th January, 1917.*

Messrs. Richard Riley & Sons, Halifax.

Dr. to THE DUNDEE SPINNING CO.

Jute Spinners.

Agents are not authorised to collect accounts. All remittances to be made direct.

		Bundles.	Spls	Lbs.				
R. B. 7lbs.	To 7 lbs. Jute Weft "A"	18	144	1026				
		of which		823	2¼	7	7	-
		and		203	2¾	1	18	1
						9	5	1
				Discount	3%		5	6
per Cal. Ry.					£	8	19	7

11

LEEDS, *11th September, 1917.*

Messrs. R. Beck & Sons, Barnsley.

Bought of GEORGE SHAW & CO.,

Flax Spinners.

7 A	300 Bundles 12 Tow Yarn.....	6/10½	£103	2	6

12

HORBURY, *10th February, 1917.*

Messrs. James Bower & Sons,

Bought of JOHN WILLIAMSON,

Oil Manufacturer.

Terms 2½% in 30 days. All empties not returned within two months will be charged for.

	No.	Gross.	Tare.	Net.	Rate		
To 4 Casks Pure Olive Oil	1346	13 - 22	2 1 -				
	1344	12 3 12	2 - 5				
	1359	12 2 6	2 - 14				
	1325	13 - 16	2 2 20				
		51 3 -					
		9 - 11	Tare				
		42 2 17	or 530 gall's. 9	lbs. per gall.		£27	£56 15 6

13

MANCHESTER, *14th May, 1917.*

Messrs. Green & Sons, Huddersfield.

Bought of WILSON & CO,.

East India Merchants.

Terms—Net, prompt cash, due on delivery.

		Cwts. Qrs. Lbs.	Cwts. Qrs. Lbs.	Cwts. Qrs. Lbs.				
R & O W	1500	3 1 -	- 3 5	2 1 23	= 275 bls.			
	1501	3 - 26	- 3 5	2 1 21	= 273 ,,			
	1502	3 2 3	- 3 6	2 2 25	= 305 ,,			
		Dock samples belonging to above.						
		ches ts weighing net			19 ,,			
		Carried forward			872 lbs.	@ 4/8½	£205	5 8

14

Hide Market,

LEEDS, *26th February, 1917.*

Messrs. J. Paul & Co., Leeds.

Bought of JOSEPH WATSON & SONS,

Brokers, at public auction.

Lot.	No.		lbs.	Price.			
11	36	Hfr. Hides under 56 lbs.	1772	2¾	21	4	7
14	31	Cow „ 65 and upwards	2177	2¾	21	10	10
15	92	„ „ under 65	5363	2¼	55	17	4
21	128	Cut „ 56/74	8303	2¼	77	16	10
56	174	Calf Skins, 1st Cuts	1137	4½	24	14	-
38	20	„ 2nd „	120	1	-	10	-
H.	C.						
287	194				£201	13	7

15

Healey,

OSSETT, *10th April, 1917.*

Messrs. Wm. Buckley & Sons.

Bought of J. ILLINGWORTH & SON,

Fellmongers, &c.

No.	Quality		Rate.			
464	X	Pelts	1/8	38	13	4
574	1	„	1/2	33	9	8
228	2	„	/8	7	12	-
43	3	„	/4	-	14	4
16		Spetches	/1	-	1	4
1325				£80	10	8

16

TELEGRAPHIC ADDRESS:—
"Boyne, Glasgow." 20 Ingram Street,
TELEPHONE No. 187. CODE A B.C. GLASGOW, *15th June, 1917.*

Mr. George Beardsell, Perth.

Bought of BOYNE & DUCKETT,
Boot and Shoe Warehouse.

Terms..... Conveyance N.B Ry. *O. No.* 7148. *I. No.* 6413.

Quality.	List No.	Description.	@	£	s.	d.
6 prs.	5797	Ladies' Levt. B/C. Slippers	3/9	1	2	6
10 "	7605	Misses' B.H. Sandals	2/4	1	3	4
8 "	5233	Ladies' "Embo." Box Lace Bts.	5/11	2	7	4
4 "	5571	Ladies' Glacé Kid Ox Boots	4/4	-	17	4
7 "	9213	Gents' Bro. Glacé Derby's	9/9	3	8	3
12 "	7306	Ladies' Tan Glacé Lace Bts.	6/-	3	12	-
15 "	6908	Girls' Tan Boots	5/6	4	2	6
20 "	7154	" Canvas Shoes	1/2	1	3	4
14 "	6958	" Split Bals.	2/8	1	17	4
25 "	6530	Boys' Box Calf Bals.	4/9	5	18	9
16 "	3602	Men's Tan Boots	10/6	8	8	-
8 "	142	" Patent Shoes	3/-	1	4	-
30 "	1625	Ladies' Felt Slip	2/9	4	2	6
40 "	6320	" Canvas Shoes	1/4	2	13	4
		2 Boxes		-	15	-
				£42	15	6

17

TELEPHONE No. 155.
TELEGRAPHIC ADDRESS:— 83 Gallowgate,
"Leather, Glasgow." GLASGOW, *27th March, 1917.*

Mr. Lewis Morris, Kinross.

Bought of J. B. McCALLUM & SONS,
Leather Merchants and Boot Factors.

10	English Bends (No. 56).....125 lbs.	1/7	9	17	11
20	Lt. Split Shoulders .....18 lbs.	9		13	6
15	Insole Bellies .....105 lbs.	1/2	6	2	6
12	Hemlock Sides .....162 lbs.	1/3	10	2	6
2 doz.	Polishing Ball.....	4½			9
4 "	21 B Heels	5½		1	10
6 "	Mil Heels.....	4		2	-
5 "	Med. Wood Heels.....	2/9		13	9
6 "	Light Toes 2, 3.....	6		3	-
2 gr.	Protectors, A	8/6		17	-
3 bxs.	I. X. L. Laces.....	4/6		13	6
3 "	Gts. Rifle Laces F.B.T.	3/6		10	6
	1 N.W.D. Hobs .....12 lbs.	4½		4	6
2 pcl.	No. 9 Thread .....3 lbs.	3/3		9	9
	⅜" Brass Rivets.....4 lbs.	11		3	8
	2 B/- and 1 Box per N. B. Ry.		£30	16	8

18

POSTAL ADDRESS—BOX 143 LEEDS.
TELEGRAPHIC " TOWN "
TELEPHONE 3981 (Three lines)

Albion Street,
LEEDS.

Bought of JOSEPH TOWN & SONS, LIMITED,
Paper Manufacturers,
Wholesale & Export Stationers.

Messrs. J. BROWN & Co.
October 2/1917.

Ref. T. 872-16.

444	1	Ream 2nd Cream Wove Medium	17			6	9			
180	1	" Fav Grey Large Post	21	6/-		18	-			
"	2	" Amber " "	21							
122	1	" Cream Laid Small Post ...	18			4	8			
	100	" Green Antique Corres. Cards ...				1	-			
								£1	10	5

19

TELEGRAPHIC ADDRESS:—
"Robinsons, Bristol."
TELEPHONE No. 316.

Victoria Street,
BRISTOL, *26th February, 1917.*

Mr. E. G. Webber, Peterboro'.

Bought of E. S. & A. ROBINSON,
Paper Bag Makers.

Terms—Net.

Per L. & N. W. Ry. Co.

Number		Cwt	Qrs	Lbs	Price			
2200	2 lb. lump Pink Bags printed.....				11/-	1	4	2
4200	2 lb. Buff Moist do.				8/6	1	15	8
1850	1 lb.				6/6		12	-
4300	2 lb. Moist Blue				8/6	1	16	6
1750	1 lb. do.				6/6		11	4
	7 lb. Flour Bags lithoed in green ...		2	12	50/-	1	10	4
	25 Reams Thin Cap Paper...					2	10	-
					£	10	-	-

20

West Riding Flour Mill,
MIRFIELD, *29th January, 1917.*

Mr. George Clarkson, Hunslet.

Bought of STOTT BROTHERS.

Terms—*Cash in 14 days less 3d. in the £ discount.*

6	Packs XL.	20/6	6	3	-
	12 sacks...	1/6		18	-
		£	7	1	-

21

TELEPHONE: 86.
TELEGRAMS: "Cakes."

Tudno Cake and Biscuit Factories,
ASHTON-UNDER-LYNE, *9th July, 1917.*

Mr. Albert Broadbent, Manchester.

Bought of JOHN HILL & SON, LIMITED.

Statements made up to 25th of each month, and due prompt on the 6th of the following month.

Tins	Doz.	Description.	Cwts	Qrs.	Lbs.	Price.			
		1lb. Cream Crackers			22½	51/-		10	2
10		Marie			80	62/-	2	4	2
10		Ginger Nuts			100	49/.	2	4	2
5		Family			35	36/-		11	3
5		Iced Gem			35	56/-		17	6
		36 Tins						18	-
		3 Cases 372-3-4						9	-
						£	7	14	3

22

TELEGRAPHIC ADDRESS:
"Firth, Leeds."
TELEPHONE No 315.

Call Lane,
LEEDS, *9th May, 1917.*

Mr. William Moore, Oulton.

Bought of FIRTH & WILSON,
Wholesale Grocers & Provision Merchants.

Terms—Cash in 14 days, less 1¼% discount.

1	Box Plums	25 lbs.	46/-		10	3
	½ Borax D. Soap	14 lbs.	24/-		3	-
	Tl Lump Sugar	3 cwt.	19/-	2	17	-
3	Bags Granulated	6 cwt.	18/3	5	9	6
12	Hams	168 lbs.	6½	4	11	-
4	Rolls Bacon	164 ,,	6¾	4	12	3
2	Tins Carr's Crackers	9 ,,	5½		4	2
	Fine Blended Tea	40 ,,	1/7	3	3	4
	Finest Coffee Beans	60 ,,	1/1	3	5	-
	Finest Chicory	10 ,,	5		4	2
	2 Tins				1	-
			£	25	-	8

23

TELEPHONE No 0871.

Wood Street,
HALIFAX, *13th April, 1917.*

Mr. Edwin Wilson, George Street.

Bought of LANDGREEN & CO.
Butter and Egg Importers.

2 Cks. Choicest Butter	310				
	34				
	276	101/3	12	9	4
6 Hd. Eggs		6/6	1	19	-
		£	14	8	4

24

TELEGRAPHIC ADDRESS:— "Hartley, Aintree."

AINTREE,
LIVERPOOL, *16th March, 1917.*

TELEPHONE No. 38.

Mr. Thomas Nettleton, Wakefield.

Bought of WM. P. HARTLEY.

Payment in 14 days.

9 doz.	1 lb. Marmalade	3/5	1	10	9
6 ,,	2 lb. ,,	6/-	1	16	-
6 ,,	1 lb. Raspberry	6/-	1	16	-
4 ,,	Pint Pineapple Jellies	2/9	-	11	-
4 ,,	,, Strawberry Jellies	2/9	-	11	-
	3 Cases	1/3	-	3	9
		£	6	8	6

25

TELEGRAPHIC ADDRESS:— "Lever, Port Sunlight." Birkenhead.

PORT SUNLIGHT,
BIRKENHEAD, *9th April, 1917.*

TELEPHONE NOS. 900, 902, 903.

Mr. F. A. Lodge, Huddersfield.

Bought from LEVER BROS., LIMITED.

Discount: *If paid within fourteen days from the above date at* 2½% £0 5 6

Amounts not paid within fourteen days from the above date due prompt net cash.

Gross or Cwt.	Halves	Qrs.	Dozs		Price.			
2				Sunlight 2½d. size	25/9 per gross	2	11	6
	4			Lifebuoy	30/9 per gross	3	1	6
		4		Swan	80/9 per gross	1	10	9
	8			Lux	10/8 per gross	2	1	-
		2		Monkey Brand 3d.	30/9 per gross		15	6
			2	Plantol Toilet Soap 6d.	4/10 per dozen		9	8
					£	10	9	10

Errors or **Omissions** occasionally arise in almost every business house, and when these occur in connection with the making out of invoices they must be remedied by one of **two methods.** Where the mistake is discovered within a day or two of the dispatch of the invoice, a **corrected invoice** may be sent and the original one cancelled; but the disadvantage of this is the alteration of the books or a correcting Journal entry. A commoner method is to use a Debit or Credit Note and to leave the record of the invoice undisturbed. A **DEBIT NOTE** (**D/N.**) is a statement, in the form

of an invoice **sent** by the **seller** to his **customer,** the **debtor,** showing the particulars of an amount in respect of which the debtor is being **debited.** It is used when the seller or creditor discovers that the customer has been **undercharged** for certain goods or in the event of an invoice being **undercast.**

The **buyer** of goods may return them for various reasons, and he sometimes sends a D/N. to the seller in respect of such returned goods, but this practice is not advisable; the making out of all notes relative to the sale or return of goods should be left to the seller.

625 Cheapside,

DEBIT NOTE. LONDON, 30th June, 1917.

Messrs. Owen & Dew, Leeds.

Dr. to **Charles Mee & Co., Ltd.**

	To Undercasting of invoice dated 25th June .....£	1	-	-

A **CREDIT NOTE** is a statement (in red ink) **sent** by the **seller** to his **customer,** the **debtor,** showing the particulars of an amount in respect of which he is being **credited.** It is generally used when goods are returned by the buyer on account of some **defect,** or when an **abatement** or allowance is being made in respect of some damage, or when an **overcharge** is being rectified.

CREDIT NOTE. 625 Cheapside,
LONDON, 22nd June, 1917.

Messrs. Owen & Dew, Leeds.

Cr. in A/c. with **Charles Mee & Co., Ltd.**

	By Return of Goods invoiced 19th June .....£	2	9	10

With the view of **reminding** a firm of the **Pay Day,** which is usually a given day in each month; as well as of **verifying** the account between a debtor and a creditor, it is customary for the **Creditor** (the seller) to send to the **Debtor** (the buyer) a **STATEMENT,** which is an account, rendered at certain periods, usually the first day of each month or quarter, giving dates and amounts only (no details) of each delivery of goods since the last Statement or balancing, together with any charges thereon; and

after deductions for returns, payments on a/c., allowances, &c., showing amount due at date of Statement. If **cash terms** are arranged, the statement is sent in seven or ten days. When Statements are not posted to the debtors they are delivered by the Traveller on his ordinary round, and he frequently receives a cheque at the time of booking another order.

The Statement is **copied** from the account of the customer in the **Sales Ledger,** commencing with the *balance brought forward* the previous month or quarter, this amount being placed in the second column. Then follows, in the first column, a record of all the debtor entries or **sales** to the customer, the total being carried into the second column and added to the balance b/f. The **Credit** entries in respect of cash received, discount allowed, returns, &c., are entered in the first column, the total being carried into the second column and **deducted** from the Dr. total, thus showing the **net** amount owing. Frequently a Statement will show a single item; *e.g., April 4, To Goods £10,* and where there have been no transactions since the previous Statement was rendered the only entry thereon will be, say :—*March 1, To Account rendered, £50.*

On receipt of a Statement the **debtor** should compare it with the amount in his **Purchases Ledger** and in case of any discrepancy should communicate with his creditor at once.

The principal **advantage** of rendering a statement is that it enables the records in the Ledgers of the debtor and creditor to be **compared,** and by reason of the short periods involved in each Statement, mistakes may be readily corrected and complications avoided.

625 Cheapside,

LONDON, *30th June, 1917.*

Messrs. Owen & Dew, Leeds.

Dr. to **Charles Mee & Co., Ltd.**

1917.		£	s.	d.	£	s.	d.
April 1	To Balance brought forward				69	7	6
,, 4	,, Goods	86	16	9			
,, 7	,, do.	17	4	9			
,, 18	,, do.	42	8	4			
,, 30	,, do.	5	19	6			
May 7	,, do.	19	7	2			
,, 15	,, do.	7	4	5			
,, 28	,, do.	26	19	11			
June 9	,, do.	13	4	2			
,, 19	,, do.	2	9	10			
,, 25	,, do.	16	18	9			
,, 26	,, do.	46	9	2			
,, 30	,, do.	17	16	9			
,, ,,	,, Undercasting 25th June	1	-	-	253	19	-
					323	6	6
May 2	By Cash	171	16	4			
June 2	,, do.	53	11	6			
,, 22	,, Returns	2	9	10	227	17	8
				£	95	8	10

Either through inability or unwillingness some **debtors** are very slow in discharging their **debts,** paying little or no heed to the receipt of a mere Statement. Before writing a letter pressing for payment, many creditors send out one, two, or even three Statements in succession, with printed **Reminder Slips** attached thereto, similar to the following :—

A remittance by return will much oblige.

An immediate settlement of account is requested.

TEST PAPER 12.

1. What is an Invoice, and for what purposes are *Pro Forma* invoices used?

2. State the details to be attended to in making out an invoice.

3. Where a firm deal only in a few articles how may they economise in the making out of Invoices?

4. What precaution should be observed before dispatching an Invoice?

5. Why should an Invoice be sent separate from the goods to which it relates, and what is the postage thereon?

6. What should the buyer do with an Invoice on its receipt?

7. How are Invoices preserved for reference?

8. State the advantages of an Invoice.

9. Explain what is meant by "Tare," "Tret," and "Draft."

10. Distinguish between "Cash" and "Trade" Discount, and state what would be the discount at $3\frac{1}{2}\%$ on £175.

11. For what purposes are debit notes and credit notes used, and is it advisable for the buyer or the seller to make out these notes?

12. What are the principal objects of rendering a Statement? Write out a specimen showing a balance b/f., three debit items and two credit items.

13. From what book is the information for a Statement obtained, and what would be written upon a Statement in respect of which no transaction had taken place since the last Statement was sent?

14. What should the debtor do on receipt of a Statement?

15. What is the meaning of (a) prompt cash less 4 months, (b) Net Cash, (c) $2\frac{1}{2}\%$ one month, (d) 5% for cash, (e) 4% in 30 days, (f) 1 clear month's credit, dis. $2\frac{1}{2}$?

16. What is a Commission, and what would be payable to an agent on his effecting a sale of wool valued at £1,950 @ $3\frac{3}{4}\%$?

17. You (the student) purchase from your teacher the following pieces of cloth :—50 yds. Scotch Tweed, Stock No. 976, price 3/4 ; 55 yds. Grey Worsted, S No. 1064, price 5/3 ; 30 yds. Brown Overcoating, S. No. 3819, price 2/8 ; 45 yds. Fancy Trousering, S. No. 4163, price 1/8 ; 58 yds. Black Vicuna, S. No. 2333, price 4/2. The terms are 2½% dis. within one month. The goods are packed in 20 yds. of Canvas worth 5d. per yd., and dispatched by the L. & N.W. Ry., carriage paid, on the 26th Nov., 1915, (*a*) Prepare the Invoice.

(*b*) The day after the goods and invoice have been sent, your teacher's warehouseman informs him that the first piece of Scotch Tweed measured 55 yds., and not 50. Prepare the necessary document to remedy this error.

(*c*) Write a letter enclosing the last document and apologising for the error.

(*d*) On receipt of the goods on the 30th Nov., you (the purchaser) find that 8 yds. of Black Vicuna is damaged. Write a letter to your teacher complaining of this damage.

(*e*) Write his reply to you requesting the 8 yds. to be returned and enclosing the document necessary to put the account right between you.

(*f*) Before you purchased these goods you owed your teacher a balance of £50. Prepare the statement, dated the 1st Jan., 1916, showing the state of your account with your teacher.

MEASURES OF CAPACITY.

Solid or Cubic Measure.

1728	Cubic Inches	1	Cubic Foot
27	Cubic Feet	1	Cubic Yard
40	,, of Hardwood or	1	Ton or Load
50	,, of other wood		
42	,, of Timber.. ..	1	Shipping Ton
108	,, ...	1	Stack of Wood
128	,, ...	1	Cord of Wood
40	,, of Merchandise ..	1	Ton Shipping (steamer)
50	,, of Merchandise ..	1	Ton Shipping (sailing)

For Liquids, Corn, and Dry Goods.

4	Gills ..	1	Pint (34·66 Cubic Inches)								
8	,, ..	2	,, ..	1	Quart						
32	,, ..	8	,, ..	4	,, ..	1	Gallon				
64	,, ..	16	,, ..	8	,, ..	2	,,	1	Peck*		
256	,, ..	64	,, ..	32	,, ..	8	,,	4	Pecks	1	Bushel
2048	,, ..	512	,, ..	256	,, ..	64	,,	32	,,	1	Quarter

Half-a-Pint is often called a Gill.

* 4 Pecks .. .. .. 1 Bushel
* 8 Bushels .. .. .. 1 Quarter
*36 Bushels .. .. .. 1 Chaldron
* Boll of Meal .. .. 140 Lbs.

**These are used for Dry Goods only.*

DISPATCHING GOODS.

The **PACKING** of **GOODS,** whether small parcels wrapped in paper, or large bales enclosed in canvas, is a matter that should receive careful attention. The principal object in making a parcel is to **protect** the **contents** from the possibility of **damage** during transit, and at the same time to present a neat package. Before putting on the outside wrapping, the contents should first be packed well in either paper or some other substance, twine or rope of sufficient strength being used to secure the parcel thoroughly. It is never advisable to stint a parcel of packing or twine, thus rendering it liable to burst open in course of transit, causing damage to the contents, as well as delay and vexation to both parties. Many a customer has been lost through such negligence.

In **addressing,** *tie-on-labels* should not be used unless absolutely necessary, as they are liable to become detached or torn. Either address the cover of the parcel itself or use an **adhesive label,** in either case showing the name and address of the sender, the method of transit, and whether **carriage paid** or not.

There are **five** principal **methods** of forwarding goods, viz. :— own messenger, local or country carriers, parcel post, parcel companies, railway companies.

1. DELIVERY BY EMPLOYEE. Most business houses employ at least an errand boy and in many cases one or more vans for the delivery of parcels to their numerous customers in their own district, which is generally spoken of as the *town delivery.* On delivery of the goods it is usual for the messenger to hand in a **Delivery Note,** stating the number or quantity of the articles delivered. These Notes are usually made in the form of a **Carbon** Duplicating Book, so that a copy of each note may be retained. In signing the Delivery Note the receiver of the parcel should be careful to see that the articles are in good condition and that they correspond with the particulars given on the note; as, if the latter is signed without such checking, the messenger will be in possession of what is termed a "clean signature," and in case of dispute the firm delivering the goods can produce such a signature as a legal proof that the goods were delivered as signed for. If the contents of any package, cannot be checked on receipt, or there is any doubt as to breakages, it is advisable to write on the note, when signing, some such saving expression as : *unexamined, not counted, case broken, wet, &c.* Such irregularities should also be pointed out at the time, the contents examined as soon as possible, and a letter written to the seller pointing out the defect or irregularity. (*Specimen D/N. next page*).

Order No. *509.* Page Street, No. 401.
HUDDERSFIELD, *23rd June, 1917.*
Delivered to *ARTHUR FIELDHOUSE.*
By the **ADVERTISER PRESS, Limited.**

105 Ledgers
500 Foolscap Envelopes
1000 Cr. Circulars
144 Complete Book-keeping
Received by *ARTHUR FIELDHOUSE.*

2. **LOCAL CARRIERS.** Local or country carriers are those persons who regularly visit a town, chiefly for the purpose of collecting goods for the villages or town from which they hail or through which they pass on their journey, which may vary from 5 to 20 miles. A List of Local Carriers, with the towns and villages from which they come, and the days upon which they make their regular visits as well as their principal calling places, are generally to be found in the Local Railway Guide. Their **charges** are much smaller than the railway charges for similar distances, while in many of the villages through which they pass railways are not available. A parcel weighing 56 lbs. may be sent from Huddersfield to Mirfield (5 miles) for the sum of 4d. The same parcel would have cost 1/2 by rail. There are no restrictions or limits as to weight or contents, as with the parcel post. The goods are frequently delivered the same day, being taken direct from the sender to the addressee without being loaded or unloaded several times.

A common carrier is expressly **forbidden** to **carry a letter,** or to receive or collect, or deliver a letter, even though he shall not receive hire or reward for the same; except a letter concerning the goods which he is carrying. The carrying of letters is the **exclusive right** of the **Postmaster General,** and heavy penalties may be imposed for any infringement of such right.

3. **PARCEL POST** has already been dealt with under postal matters. It must be particularly noted that with the parcel post there are limits of weight and size, also restrictions as to contents, and that prepayment of postage is compulsory; but that *distance* does *not* affect the charges for inland parcels.

4. **POSTAL DELIVERY COMPANIES** carry on their business of collecting and delivering parcels in every town, some of them dealing with the local trade only, while others undertake the delivery of parcels, not only throughout the kingdom, but to all parts of the world. Principal among the latter are Sutton & Co.; Carter, Paterson & Co.; Pickford & Co.; and the Globe Parcel Express. Their **charges** are generally **lower** than those of the railway companies, on account of the fact that the huge carrying trade of the parcel companies enables them to enter into an advantageous contract with the railway companies. In addition

to this, however, all the small parcels collected in a town for another town, are placed into one crate or truss so as to effect a saving in railway carriage. These are unpacked at the town of destination and delivered to the various addresses by the agents of the parcel companies. A **1 lb. parcel** from Leeds to London would cost by passenger train **4d.**, by parcel post **6d.**, by parcel company **2d.**

Firms receiving and dispatching numerous parcels find it to their advantage to enter into a special **contract** with one of the parcel companies, by this means saving a large amount annually. Publishers send most of their parcels through the medium of these companies, and in the case of the dispatch of subscription copies of books it is usual to obtain a quotation from the companies for the weekly, monthly or other periodical dispatch of a certain number of books, which may be forwarded in this way for less than half the cost of railway carriage.

5. RAILWAY COMPANIES, generally speaking, offer the best facilities for the *rapid* delivery of parcels. Parcels received at a station are dispatched by the next available train and are thus very frequently delivered to the buyer within a few hours of leaving the warehouse of the seller. It is customary for the consignor to take his packages to the Parcels Receiving Office at the Station, but, in large towns, where a firm have much traffic, the railway companies collect parcels free of charge and special arrangements can be made for their collecting vans to call at convenient hours.

The **scale** of **charges** will be found on the inside of the cover, from which it will be noticed that they vary not only according to **weight,** but also according to **mileage,** a condition which does *not* affect parcels sent by post. It is therefore advisable in dispatching **prepaid** parcels, to ascertain which is the cheaper of the two—railway or post. 2 parcels weighing 11 lbs. each may be sent from Leeds to Penzance or Aberdeen quicker for 2/- than by rail for 2/6. On the other hand a parcel weighing 11 lbs., to a town less than *30 miles* distant, costing 1/- by post, could be sent by rail more rapidly for 6d., while a Parcel Co. might even carry the same parcel for 4d. The carriage must now be **paid** by the sender, as "carriage forward" by passenger train has been abolished. Payment may be made either in cash or by affixing railway stamps, purchased from the company.

Parcels of **newspapers,** also **printed matter,** such as handbills, open at the ends, as well as other goods, are carried at owner's risk, at half or special rates, which do *not* include collection or delivery. Some newspaper offices enter into a special contract with the railway companies for the carriage of their parcels, in which case the ordinary label of the senders is merely affixed, and not the railway stamps.

With the view of securing **compensation** in case of the loss or damage to parcels sent by rail, as well as keeping a **record** of such parcels and the **cost** of **carriage** thereon, it is necessary that a **receipt** should be obtained from the railway company on handing over each parcel. The **Parcels Receipt Book** should at least

contain the following columns: (1) date, (2) to whom addressed, (3) address, (4) number and description of packages, (5) conveyance, (6) by whom handed in, (7) amount of carriage paid, (8) signature of railway clerk, who enters the carriage when paid.

GOODS may be sent by **LUGGAGE TRAIN,** in which case the carriage is little more than half that when sent by passenger train; therefore, all parcels exceeding half-a-hundredweight are usually sent by goods train, as well as many under that weight, which do not require to be delivered on the day of dispatch or the following day.

The **RATES** for carriage vary according to (1) weight, (2) distance, (3) class of goods. It is advisable for every firm to keep a **Railway Rates Book,** in which to record the rates chargeable in respect of the various goods to the different towns where they may have customers, as well as from those towns from which they purchase. Such a book is of great assistance in the checking of railway accounts. The rate chargeable for any article to a specified town may always be obtained on application to the railway companies having connection with the town in question. The rates are reckoned at so much **per ton,** the lowest fraction being 14 lbs., or 160th part of a ton, so that a parcel weighing 30 lbs. would be reckoned at 42 lbs., or 3/160ths of a ton. A parcel weighing *less* than 28 lbs. may be charged as 28 lbs.

The **CLASSIFICATION OF GOODS** is one of great complication, resulting in tens of thousands of rates, and some of these are duplicated by the fact that there are **two rates** for some articles, namely, the Ordinary or "Company's Risk" (C/R.) Rate, and the Lower or "Owner's Risk" (O/R.) Rate. It is impossible to give a detailed list of the various articles chargeable at the different rates, as this list is revised by the railway companies from time to time; but the authorised book, known as "The General Railway Classification of Goods by Merchandise Trains," published annually, 400 pages, containing all the necessary information, may be obtained from any railway company or bookseller, price 1/-.

There are **eight classes,** three of Heavy Goods and five of Lighter Merchandise, besides exceptions as to dangerous or exceptionally bulky articles, specie, &c. **Classes A** and **B** are for consignments of four tons and upwards, and **Class C** of two tons and upwards, and the rates do not include collection or delivery. **Class A** does not include the provision of trucks by the railway companies, these being supplied by the owners. **Classes A** and **B** comprise Coal, Iron Ore, Stone, and such like. **Class C,** Grain, Timber, Iron Plates, Girders, and many other heavy goods in bulk. **Classes 1** to **5** comprise merchandise of all kinds, and the rates include collection and delivery of the goods within specified limits.

Class 1 comprises Raw Cotton (pressed), Hay (pressed), Dyewoods (ground), Sheet Lead, Ale in Casks, Heavy Machinery, Hydro-Extractors, Ice, &c.

Class 2 comprises Leather, Earthenware, Iron Pipes, Safes, Flax, Bacon, Seeds, Printed Matter (unbound).

Class 3 comprises Plate and Crown Glass, Hardware, Meat, Mixed Groceries, Heavy Drapery, Joiners' Work, Books, Woollens and Worsteds, Gas Stoves, &c.

Class 4 comprises Saddlery, Light Drapery, Tobacco, Toys, Wines, Drugs, &c.

Class 5 comprises Musical Instruments, Silk Goods, Furs, Cigars, Pictures, &c.

The **rates** of carriage on the eight classes of goods gradually advance from Class A to Class 5, from which it will be observed that, generally speaking, the more valuable and delicate the article and consequently the **liability to damage,** the higher is the rate of carriage charged thereon. The highest Company's Risk rates per ton from LONDON to HUDDERSFIELD, for the seven classes B to 5, are as follows :—

B	C	1	2	3	4	5
13/1	19/3	32/3	39/4	45/6	57/6	67/6

There are numerous variations between these rates, which are always considerably reduced when goods are sent at Owner's Risk; for instance, Iron is only 25/10 at O.R. as compared with 32/3 at C.R.; Gas Stoves 32/1 at O.R. as compared with 40/- C.R. The C.R. rate for woollen and worsteds is 43/4.

Classes 1 to 5, unlike A. B. and C. are noted for small packages, and the official Classification contains a **Small Parcels Scale** of **Charges** for packages not exceeding **3 cwts.** This scale or ready reckoner shows the **exact charge** for a parcel of any weight up to 3 cwts. at every rate from 3/4 to 200/- per ton, thus facilitating the preparation and checking of railway charges for small parcels.

In **consignments** containing **different classes** of goods each **under 3 cwts.,** often if the weights **added** should **exceed 3 cwts.,** by electing to pay for the whole at the **highest rate,** a **saving** can be effected; for instance—

2 boxes Groceries	2	1	4	rate 10/5	charge 1/8		
1 sack Flour	2	2	0	,, 7/11	,, 1/3	2/11	
By paying for	4	3	4,	at 10/5	the charge is 2/7 only.		
2 bags of Tapioca, London to Leeds,	2	3	6	23/9	charge 3/11		
1 bag of Rice in same consignment	2	0	0	19/2	,, 2/4	6/3	
If paid for at higher rate	4	3	6	23/9	,, 5/10 only.		

The **procedure** and **formalities** connected with the dispatch of merchandise by luggage trains differs from the dispatch of goods by passenger trains in two respects. (1) Although the sender may cart the goods to the station himself, it is the practice of the railway companies' servants to call at the warehouse and collect goods to be sent by luggage trains. (2) No Parcels Delivery Book is necessary, but each lot of goods must be accompanied by a printed form known as a **Consignment Note,** showing the name and address of the consignee and particulars as to the number, description, and weight of goods, &c.

COUNTERFOIL.

N. B. Railway Co.

Date, *15th June, 1917.*

Name and address of Consignee—

GEO. BEARDSELL.
Broad Street,
PERTH.

Description of Goods—

Boots & Shoes.

Signature of Carter—

Jim Slow.

CONSIGNMENT NOTE.

Glasgow Station. *15th June, 1917.*

The **North British Railway Company** are requested to receive and forward, as per Address and Particulars on this note, the undermentioned Goods upon the Conditions at the back hereof.

CONSIGNEE.		Description of Goods.			WEIGHT.				Charges paid out.		Who pays Carriage.
NAME.	ADDRESS.	No. of Packages.	Species.	Marks.	T.	C.	Q.	L.	s.	d.	
George	*Broad Street*	*2*	*Boots*								*Consignee*
Beardsell	*Perth*	*boxes*									

Signature of Sender or his Agent, *Boyne & Duckett.* Address. *20 Ingram Street.*

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The **CONSIGNMENT NOTE** is the **contract** between the sender or consignor and the railway company, containing full instructions as to the transmission of the goods, and may be of **two kinds,** either **Company's Risk** or **Owner's Risk.** All goods which are not otherwise consigned are charged by the railway companies at the ordinary or higher or "Company's Risk" Rate. The great advantage of the O.R. is that it saves the trader a considerable amount per year in the carriage of goods, but the disadvantage is that the railway company accept no liability whatever for loss of, or damage to, any article carried at this rate, unless it can be proved that such loss or damage is the result of *wilful misconduct* on the part of the company's servants.

Books of **consignment notes** are supplied, free of charge, by the railway companies, and consist of a **counterfoil** and **consignment note,** both of which should be very carefully filled in, special attention being paid to the description of the goods, as this particularly affects the rate of carriage. When the contents of a package are not declared, the carriage charged will be the maximum of the fifth class rate. Do not fail to state whether the carriage is to be paid by the consignor (the seller) or the consignee (the buyer). The **signature** of the **carter** receiving the goods should be obtained on the counterfoil, the consignment note being handed to him along with the goods.

INSURANCE of ordinary merchandise is unnecessary, but parcels containing any of the articles enumerated in the Table on the last page of this book, when **exceeding £10** in value, **must** be **declared** (the contents made known) and **insured,** at the time of forwarding, in order to entitle the owner to secure compensation in the case of the loss of, or damage to, such a parcel. The personal luggage of passengers is subject to the same regulations if it partly consists of jewelry, &c. Parcels up to 28 lbs. may be insured only when sent by *passenger* train. Insured articles must be well **sealed** with wax.

On the **receipt** of goods from the railway company, the consignee is required to sign the company's **DELIVERY SHEET,** showing that he has received the package in good condition. It is absolutely necessary, therefore, before signing the sheet, that the **condition** of each package be noted, and if the slightest damage is detected, the carter's attention should be drawn to it, and the fact should be *noted on the Delivery Sheet* underneath the signature, being followed by a **letter** of **confirmation** to the railway company. Even where a package appears to be in good order, but where there is the possibility of breakages inside or of pilfering having taken place, it is advisable for the consignee to place underneath his signature the words *not examined* or *contents unexamined,* so as to reserve the right of claim in case some of the goods have been damaged or abstracted during transit. One large firm, when dispatching boxes of goods to their numerous branch shops throughout the country, have the following notice printed on the labels :—*Take Notice.—The frequent pilferages during the transit of goods render it necessary to examine them as soon as received; do this in the presence of a witness. If any deficiency inform the Carrier, also advise us of same, so that we can make a claim on the Company.*

In the case of a small parcel particularly, it is advisable for the consignee to make a **note** of the **gross weight** at the **time** of **delivery** in the presence of the carter and insert this gross weight opposite his signature on the Delivery Sheet. If any of the goods have been stolen during transit, the package will weigh less than when handed over to the railway company, and any claim that may be made will thus be substantiated. Not only should all **evidence** in the **support** of a **claim** be kept until it has been settled, but the railway company should be informed of any discrepancy immediately, so that the agent may have an opportunity of inspecting any package.

CONSIGNEE and **CARTAGE.** There are two conditions under which the railway companies do not deliver goods: (1) where the consignee prefers to do his own cartage from the station so as to claim a rebate; (2) where the consignee resides out of the district or area included in the ordinary rate for carriage. In both these cases it is the practice of the railway company to send to the consignees an **Advice Note** of the arrival of any consignments so that consignees may make arangements for carting. After the receipt of the advice, the goods should be removed as quickly as possible, as the railway company is permitted to charge a fee for demurrage or warehouse rent if the goods are not cleared within 48 hours from the time of arrival. As the railway rates for classes 1 to 5 include **cartage,** care should be taken to obtain the **rebate** on paying the carriage account.

The receiver of a parcel marked **Carriage Paid** is required to pay **additional charges** on delivery, (1) when he resides at a place to which there is no "through rate" from the place where the parcel was dispatched; also (2) when he resides outside the boundary of free delivery. In the latter case the charge for cartage is generally indicated on the Advice Note as "O.B.C." (out of boundary cartage). In both these cases the sender of goods may relieve the receiver of the trouble of paying any extra charges by marking the parcel and Consignment Note "Paid Home."

The **charges** for the carriage of goods, if not prepaid by the consignor, are required to be **paid on delivery,** to the carter, unless the firm to whom they are delivered has a **credit account** with the railway company. Credit accounts, which are delivered monthly, should never be paid until they have been most minutely examined, not only as to the weight of every package, but also as to the rate charged and its calculation. The rates should be compared with the records in the **Railway Rates Book,** and every excess should be marked in red ink (not forgetting rebates for cartage), and deducted on making the monthly payment, when all claims for damages against the railway company, which have been settled, should also be deducted.

TEST PAPER 13.

1. What are the principal methods of dispatching goods? What is a Delivery Note, and when is it used? Give an example.

2. What are the advantages of sending goods by Local Carriers, and what are they forbidden to carry?

3. What is the business of Parcel Delivery Companies, and how do their charges compare with other methods of carrying goods?

4. What is the principal advantage of sending parcels by passenger train, what kind of parcels are carried at half-rates, and under what conditions?

5. Why should a Parcels Receipt Book be kept, and what should it show?

6. In dispatching parcels not exceeding 11 lbs., what should be taken into consideration?

7. A parcel, 9½ lbs., is sent by you to John Jones, Market Street, Bradford, on 4th March, 1915, by the L. & Y. R. Co., carriage paid, distance exceeding 200 miles; (*a*) show clearly how you would address the cover of the parcel, (*b*) what would the carriage be, (*c*) sketch a Parcels Delivery Book, and make the necessary entry, showing the signature of the railway clerk, (*d*) what would the parcel have cost if sent by post?

8. What is the difference between cost of carriage by passenger train and goods train, and what facts affect the rates for parcels by goods train?

9. Why should a Railway Rates Book be kept?

10. What is meant by "Classification of Goods," and why are the rates for some classes higher than others?

11. What precautions should be observed in paying the charges on consignments of goods under 3 cwts.?

12. What is the difference in procedure between sending goods by passenger train and goods train?

13. What is it necessary to hand to the carter along with goods to be forwarded by luggage train, and what should he sign?

14. In respect of what class of goods should insurance be effected, and what would be the result in case of loss if no insurance had been effected?

15. What does the railway company require signing before handing over a parcel of goods, and what precaution should be observed in relation to the package?

16. What are the conditions under which the railway company does not deliver goods to the consignee, and why should such goods be speedily removed from the station?

17. What is the custom with reference to the payment of railway charges; with what should they be compared, how should excesses be marked; and what should be deducted before payment?

18. (*a*) Write an order for the goods mentioned in invoice No. 16 page 115, (*b*) copy the invoice, (*c*) prepare the railway consignment note, (*d*) write a letter to the railway company that the 7 pairs of Gent's Bro. Glacé Derby's were not in the box, the damage to the box having been pointed out to the carter at the time, and asking the company to send their agent to inspect, (*e*) write Boyne and Duckett that the 6 pairs of Ladies' Levt. B/C. Slippers are being returned, not being according to order, (*f*) reply enclosing the necessary document, (*g*) prepare the note to correct this return, (*h*) G. Beardsell owes B. & D. £25 6 8 on the 1st June, 1915, and in addition to the invoice mentioned above received goods from B. & D. of the value of £15 on the 6th June. On 3rd June, Beardsell remitted a cheque for the balance b/f. on 1st June, less 5% discount. Prepare a Statement dated 1st July.

POSTAL REMITTANCES and RECEIPTS.

To **remit,** in business phraseology, is to forward or transmit to a person at some distance, a **sum** of **money,** either in the form of coin or paper. In recent years there has been increasing trade carried on through the advertising of goods, which are sent either by post or rail, direct from the producer or merchant to the consumer, involving millions of remittances. Although the great majority of remittances are effected through the medium of cheques, the following **four methods** are also largely used.

1. (*a*) **POSTAGE STAMPS** are convenient for the payment of very small amounts not exceeding, say 2/6. Since Postal Orders may now be had from 6d., there is not the same necessity as formerly to remit stamps, which should never be sent to a foreign country. The P.O. does not now purchase stamps from the public unless of the value of £1 and upwards, the deduction thereon being at the rate of 5%.

(*b*) **COINS** should only be used when remitting to an illiterate person, to someone who is too feeble or infirm to make a journey to the P.O., or to a person resident in an outlandish district, where there is no Post Office. It is advisable to **fix** the **coins** into slits on a piece of cardboard and wrap them well so that they cannot be shaken out of the official linen **registered envelope,** which must be used. As **£5** is the **limit** of **compensation** for coin, no larger amount should ever be sent by post. The packet should be presented at the **counter** of the Post Office, and a certificate of posting obtained.

(*c*) **BANK NOTES** are not now often sent by post. One method of sending a £5 note by post is to tear it in halves and enclose each half in different envelopes posted at different hours, the note being afterwards joined by a strip of stamp edging. Notes should always be enclosed in an official **registered envelope,** and registered to the full amount of their value. A careful **record** of the **numbers** and **dates** of issue must be made, in case it is necessary to claim compensation for lost notes. Only Bank of England or Treasury Notes should be sent by post, as Country Notes issued by Provincial Banks are not readily cashed.

2. A **POSTAL ORDER** is an order made by one Post Office to *any* other Post Office in the United Kingdom (not specified by the official) for the payment of any one of **41** *fixed sums;* from **6d.,** and for any multiple of 6d. up to **£1,** also for **£1 1s. 0d.,** the amount having been first deposited with the issuing office by the sender, who may **increase** its **value** by 1d., 2d., 3d., 4d., or 5d., by **affixing** British postage **stamps,** not exceeding **three** in number, to the face of the order, in the spaces provided therefor at the foot. Perforated, embossed or impressed stamps *cannot* be accepted for this purpose. British Postal Orders are issued and paid at most British possessions, but the addition of stamps is not permissible in some countries.

A small charge, called **Poundage,** is made upon issuing these orders. *No* application form is required to be filled up in order to obtain a P.O., a mere request and tender of the amount and poundage to the proper officer being all that is necessary.

Amount of Order.	Poundage.
6*d.*, 1*s.*, 1*s.* 6*d.*, 2*s.*, 2*s.* 6*d.*, 3*s.*, 3*s.* 6*d.*, 4*s.*, 4*s.* 6*d.*, 5*s.*, 5*s.* 6*d.*, 6*s.*, 6*s.* 6*d.*, 7*s.*, 7*s.* 6*d.*, 8*s.*, 8*s.* 6*d.*, 9*s.*, 9*s.* 6*d.*, 10*s.*, 10*s.* 6*d.*, 11*s.*, 11*s.* 6*d.*, 12*s.*, 12*s.* 6*d.*, 13*s.*, 13*s.* 6*d.*, 14*s.*, 14*s.* 6*d.*, 15*s.* - - - -	1d.
15*s.* 6*d.*, 16*s.*, 16*s.* 6*d.*, 17*s.*, 17*s.* 6*d.*, 18*s.*, 18*s.* 6*d.*, 19*s.*, 19*s.* 6*d.*, 20*s.*, 21*s.* - - - - - - -	1½d.

If an order be not **paid** within **three months** from the last day of the month of issue, a commission equal to the original poundage will be charged, and must be affixed in stamps to the back of the order. P.O. presented for payment more than **six months** after the month of issue are not paid until reference has been made to the Chief Office in London.

Before dispatching a P.O. the sender must **fill** in the **name** of the **person** to whom the amount is to be paid, and should also detach the **Counterfoil,** upon which the name of the payee ought to be written. The counterfoil should be gummed to the *copy* of the letter enclosing the order, so that it may be produced in case of an enquiry as to a **lost order.** The authorities will not consider any application respecting the miscarriage or loss of a P.O. unless the counterfoil be produced, and proof be given that the name of the payee was inserted. **No compensation** will be given for the loss of a P.O. unless it is enclosed in an official registered letter envelope. An **uncrossed** P.O. in which the name of the payee has *not* been inserted, is subject to **compulsory registration** when found **open in the post,** or cannot be delivered.

If **two parallel lines** are struck across a P.O., it is said to be **crossed,** such crossing resulting in the Post Office declining to cash the P.O. unless presented by a **banker.** P.O. are **not negotiable,** and do not, like Bank of England notes, represent value in themselves. If an order is lost or stolen, no person into whose hands it may fall, though himself innocent, is entitled to receive the amount of the order. The rightful owner is alone entitled to cash the order.

3. A **MONEY ORDER** is an order made by one Post Office to another *specified* office for payment of *any sum* (except fractions of a penny) not exceeding **£40** to a particular person; such sum having been first deposited with the issuing office by the sender. Every M.O. is made out in **duplicate,** the original being handed to the Remitter, and the carbon copy retained by the official, who forwards it to the Post Office upon which it is drawn.

Inland: Rates of Poundage.					Poundage.
For sums not exceeding	1*l.*	- - - - -	-	-	2*d.*
,, exceeding	1*l.*	and not exceeding	3*l.*	-	3*d.*
,, ,,	3*l.*	,, ,,	10*l.*	-	4*d.*
,, ,,	10*l.*	,, ,,	20*l.*	-	6*d.*
,, ,,	20*l.*	,, ,,	30*l.*	-	8*d.*
,, ,,	30*l.*	,, ,,	40*l.*	-	10*d.*

Foreign and Colonial:	*s.*	*d.*
For sums not exceeding 1*l.*	0	3
,, exceeding 1*l.* and not exceeding 2*l.*	0	6
,, ,, 2*l.* ,, ,, 4*l.*	0	9
For every additional amount not exceeding 2*l.* up to and including 40*l.*	0	3

Application for a M.O. must be made on one of the printed **Requisition Forms** supplied. The Remitter may request that the Order be **crossed** thus: "_____ & Co.," in order that it may be passed through a **bank** only, or the Remitter may cross the Order.

Free Money Orders are issued, on production of the Demand Note, in respect of Taxes and Duties payable to the Revenue. Such orders should be made payable at London to the **Commissioners of Customs and Excise.**

Inland Money Order Required.

Office Stamp.

No. of Order	FOR	£	s.	d.

Payable at .....

(Payment will be subject to the possession by the Postmaster of sufficient funds.)

to	*Prefix.	Christian Name (or Initial).	Surname.

* If the payee of a Telegraph Money Order is a woman the prefix "Mrs." or "Miss" as the case may be, should be given for inclusion in the Telegram of Advice.

† **Sent by** .....
Address .....

‖ IMPORTANT.—The sender's name and address are required for official purposes. The person presenting the Order for payment must be prepared to state the name of the sender.

The Space below FOR TELEGRAPH ORDERS ONLY.

If the Order is to be telegraphed, write the words "By Telegraph," across the Form, and fill in the further particulars asked for below.

1. Address at which the Telegraph Order is to be delivered. If to be called for at a Post Office write the word "Post-office." (In the latter case the sender should inform the payee where he must apply for the Order). .....

2. State here whether the Telegraph Money Order is to be crossed for payment through a bank. .....

PRIVATE MESSAGE.

3. A Private Message to the payee may be added to the Telegram of Advice for delivery with the Order. The sender's name (or name and address), if it be communicated to the payee, must form part of the Private Message. Write Private Message here (not to exceed twelve words).

.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

When a M.O. is to be made **payable** in **London**, or at any other **town** where there is more than one M.O. Office, the remitter should state on the Requisition Form, the name of the office at which he wishes it to be paid; otherwise it will be drawn upon the Head Office. The **nearest M.O.O.** to any street in London may be ascertained by referring to the list of "Principal London Streets" in the *Post Office Guide*. **Column A** gives the number of the "Nearest M.O.O." and on reference to the list of "Offices in the London District," the name of the office needed will be found. For instance, in sending a M.O. to a resident in "Garfield Buildings, Holborn," it will be noticed from the list below that the nearest M.O.O. is number **388.** On referring to the numerical list on the next page, it shows that the address or situation of 388 is "No. 110 Hatton Gardens," at which office the M.O. would be made payable.

EXTRACT FROM LIST OF PRINCIPAL LONDON STREETS.	Postal District.	Nearest Money Order Office.	Office for payment of Telegraph Money Orders.	Nearest Telephone Express Delivery Office.
		A.	B.	C
Garfield buildings, Holborn	E.C.	388	757	757
Garfield road, Lavender Hill	S.W.	34	31	31
Garford street, Poplar	E.	686A	684	684
Garlick Hill, Up. Thames st.	E.C.	134	134	135
Garlinge road, Cricklewood	N.W.	104	104	104
Garnault place, Clerkenwell	E.C.	282	435A	435A
Garrards road, Streatham	S.W.	837	837	837
Garratt lane, Tooting	S.W.	243	243	853
Garratt lane, Wandsworth	S.W.	925 922	925	925
Garrick st., Covent Garden	W.C.	47	492	958
Gartmoor grdns., Wimbledon	S.W.	927	926	926
Gascony avenue, Kilburn	N.W.	458	104	104
Gaskarth road, Balham Hill	S.W.	19A	23	23
Gauden road, Clapham	S.W.	183	186	180
Gayhurst road, Dalston	N.E.	216	356	356
Gayton road, Hampstead	N.W.	375	375	375
Gayville road, Battersea	S.W.	35B	929	31
George lane, Botolph lane	E.C.	266	266	62
George lane, Lewisham	S.E.	142	143	143
George lane, South Woodford	N.E.	792	1001	1001
George lane, Wanstead	N.E.	934A	934	1001
George street, Euston square	N.W.	379	281	281
George street, Hanover square	W.	589	705	963
George street, Jewry street	E.C.	12	12	12
George street, Mansion House	E.C.	530	849	849
George street,, Portman square	W.	19	19	19

Extract from List of Offices in the London District.

No.	Name of Office. (The words in *italics* are not required in addressing Telegraphic Money Orders).	Postal District.	Character of Office and Exceptional Hours.
374	Hampstead Heath Station	N.W.	T t
375	Hampstead, High Street (63) *BO*	N.W.	T T
376	Hampstead, King's College Road	N.W.	T
378	Hampstead Road (55)	N.W.	—
379	Hampstead Road (161)	N.W.	t
380	Hanwell, High Street	W.	T T
380A	Hanwell, Boston Road (173)	W.	T
381	Hanwell, Greenford Avenue (53)	W.	T
382	Harlesden, Acton Lane	N.W.	T
383	Harlesden, High Street (242)	N.W.	—
384	Harlesden, High Street (50)	N.W.	T T 8-0 a.m.—10-0 p.m.
385	Harringay, Green Lanes (473)	N.	T t
386	Harringay, Wightman Road (40)	N.	T
388	Hatton Garden (110) *BO*	E.C.	T t
	Haverstock Hill, *see* Hampstead and Chalk Farm Road		
389	Hazelville Road, Hornsey Lane	N.	T
†	Hearts of Oak Benefit Society, London	N.W.	—
390	Hemingford Road	N.	T T
391	Hendon, Brent Street	N.W.	T T

If it be desired to **stop payment** of an order payable in the U.K., a notice, accompanied by a **fee** of **4d.** in stamps, must be sent to the office where the order is payable.

Payment of a M.O. may be **deferred** for any period not exceeding **10 days,** on the Remitter signing the request at the foot of the Order, and informing the Postmaster.

A **duplicate** Order will be granted *free of charge* where the original has been lost in transmission through the post, but a **fee** of **6d.** will be charged if lost by the Remitter or Payee.

Application for **Foreign** and **Colonial** Money Orders must be made one or two days before the dates fixed for the dispatch of the mails, on both the *ordinary* and **special Requisition Forms.** The issuing Postmaster will hand to the Remitter, either (1) A **Money Order** to be forwarded by post to the Payee for presentation at the office of payment, as is the case with an Inland M.O., or, (2) A **Certificate** of **Issue,** or mere Receipt, in which case payment will be made by means of an Order which will be issued by the Postal Administration abroad.

When, in order to **catch** an **earlier mail** to a place **abroad,** the remitter desires the particulars to be advised to the Money Order Department, London, by *telegraph,* instead of by *post,* a supplementary **fee** of **6d.** will be charged for each Order *in addition* to the ordinary Poundage and the cost of the Telegram of Advice.

The sums payable in **foreign currencies** on M.O. issued in the U.K., and in sterling on M.O. issued abroad are shown in the *Post Office Guide.*

4. **TELEGRAPH MONEY ORDERS.** The necessity for the rapid transmission of money arises, amongst other cases, where (*a*) one is desirous of making a bargain; (*b*) a traveller has been robbed or has run short of cash; (*c*) legal proceedings are threatened to enforce the payment of a debt, &c. In such cases a T.M.O. is most advantageous and can be obtained at most post offices, the **charges** being:

(1) Poundage at the ordinary rate.

(2) A charge for the Telegram of advice to the office of payment.

(3) A supplementary fee of **2d.** for each order.

Foreign and **Colonial** Telegraph Money Orders (T.M.O.) are exchanged with the countries indicated by the letter T in the List on pages 836-847 in the *Post Office Guide.*

The **charges** for Orders issued in the U.K. are:—

(1) Poundage at the ordinary rate for Foreign M.O.

(2) A charge for the Official Telegram of Advice.

(3) A supplementary fee of **6d.** for each Order.

The Remitter is allowed, on paying for the additional words required, to add to the Official Telegram of Advice any *short communication* which he may wish to send to the Payee.

Remittances are so numerous in large concerns that instead of writing a letter with each one, printed **Remittance Forms,** with blanks for date, name and amount are used, thus effecting a great saving of time.

.....

.....*1919.*

M.....

.....

Dear Sir,

Enclosed we beg to hand you.....*for £*.....*in payment of your account.*

Kindly acknowledge receipt in due course.

Yours faithfully,

.....

	£	s.	d.
Your Statement		:	:
Returns £		:	:
Damages £		:	:
Shorts £		:	:
Discount		:	:
Cheque herewith .....£		:	:

A **RECEIPT (Rect.)** is a written acknowledgment of having received goods or money. Except in small cash or ready-money transactions, a receipt should always be given without having to be asked for and every payer should insist upon a receipt even from his own brother. The **law** presumes that no money has been paid unless a receipt can be produced, so that a dishonest creditor, not giving a receipt, would be supported by the law in his demand for payment of the same amount twice, in the absence of proof to the contrary. The law does not require a receipt to be given in any special **form,** but it should, at least, show (**1**) the date when the goods or money were received, (**2**) the name of the payer, (**3**) for what the money is paid or deposited, (**4**) the signature of the receiver, and (**5**) the amount, which should be stated both in words and figures. In case the amount is **£2** or upwards it must bear either an impressed or adhesive penny postage **stamp** or two half-penny stamps; if adhesive, the receiver (who bears the cost) must **cancel** or deface it by writing across it, otherwise he is liable to a penalty of £10. Such a receipt, if unstamped, is not admissible as evidence until the stamp duty and a penalty of £10 for the omission have been paid. It is advisable to show on the receipt the **method** of **payment,** "By Cheque," "By P.O.," "By M.O.," "By B/E."

Although an **invoice** or statement may be receipted, it is the practice to use **printed forms,** containing blanks for the various particulars. These numbered forms may be (**1**) loose sheets, (**2**) in oblong **books,** with a counterfoil, some of them being very small and adhesive, so that they may be attached to an invoice, &c., (**3**) at the foot or on the back of a cheque, to be stamped and signed before being presented at the bank. Care should be taken to fill in the counterfoil, which must be preserved for reference.

Bankers are not required to give receipts for money paid into a bank, as these payments are not for money *due*, but on deposit.

A receipt may be **in full** or in **part payment** of an account. In the former case the receipt should state either "in discharge" or "in settlement"; and in the latter case "on account."

Receipts should either be **filed,** docketed or pasted into a Guard Book, sometimes called the **Voucher Book.** So as to avoid having to pay an account twice, all receipts should be **preserved** for at least **six years,** after which period all ordinary debts become "statute barred," that is, the creditor cannot enforce payment.

No.....	*No.....*	*.....1919.*
.....1919.	*RECEIVED from*	
.....	*the sum of*	*Pounds*
.....	*Shillings and*	*Pence.*
.....	*for .....*	
£	£	

Received from Mr. John Gill, the sum of Fifteen Pounds, Fourteen Shillings and Five Pence, in settlement of a/c. rendered 1st inst.

Received from Mr. William Pollard, the sum of Sixty-three Pounds, on account of the annexed invoice.

Received from Mr. Joseph Dawson, the sum of Seventy Pounds, the price of a Bay Mare, warranted sound and free from vice.

Received from Mr. Alfred Sykes, the sum of One Hundred Pounds, being half-year's interest at 5% on the principal sum secured by mortgage dated 1st July, 1919, due this day.

Receipt an **Invoice** or **Statement** thus :—

Received by Cheque £95
Discount 5
—— £100

10th February, 1917.

Norman Kaye.

Acknowledgment Forms or letters are often employed for enclosing receipts in order to save the trouble of writing special letters.

.....

.....1919.

Mr......

.....

Dear Sir,

We have to thank you for your remittance of the .....inst., value £ s. d., which has been placed to your credit, and for which please find receipt enclosed.

Your further commands will receive prompt and careful attention.

Yours faithfully,

.....

TEST PAPER 14.

1. What is the limit beyond which it is inadvisable to remit postage stamps, and under what conditions does the Post Office purchase stamps from the public?

2. Under what circumstances should coins be sent by post; how should they be packed, and what is the limit of compensation?

3. What precautions should be observed in remitting Bank Notes?

4. What is the difference between a Money Order and a Postal Order? How may money be remitted more quickly than by either of these methods?

5. Before dispatching a Postal Order or a Bank Note, what must be recorded in order to secure compensation in case of loss?

6. How many stamps may be affixed to a P.O. and for what value?

7. What is it necessary to do in order to secure compensation in case of the loss of any form of money sent by post?

8. If you wish to make a P.O. or a M.O. so that it cannot be cashed by the payee at the Post Office, what must be done?

9. What is the period within which a Postal Order and a Money Order may be cashed without penalty?

10. Should anything be written upon a Postal Order before dispatching it, and what should be done with the counterfoil?

11. Under what circumstances could a Postal Order be compulsorily registered?

12. For what purposes are free Money Orders issued?

13. If you wished to send Money Orders to persons living at (a) Garfield Buildings, Holborn; (b) Gayton Road, Hampstead; (c) George Street, Euston Square; at what Post Office would you make each of them payable? (*Consult P.O. Guide.*)

14. What does it cost (a) to stop payment of a Money Order, (b) to obtain a duplicate Order if the original be lost?

15. State some cases which may necessitate the use of a T.M.O.

16. Show the particulars of the cost of a T.M.O. for £11, where the official telegram contains 16 words, and the remitter's telegram 14 words. What would be the cost of a similar T.M.O. to France?

17. For what number of days may the payment of a Money Order be deferred, and how is this effected?

18. Write the following: (a) a letter to A. W. Paton, 41 Reform Street, Dundee, requesting payment of £20 10 0 by telegraph, less cost of remittance; stating name of Post Office in your own town at which the T.M.O. should be made payable; (b) a letter from Mr. A. W. Paton that the amount has been remitted as requested; (c) acknowledgment of remittance.

19. What is a receipt, and why is a receipt for money necessary?

20. What should a receipt state?

21. When is a stamp required, and why should an adhesive stamp be cancelled?

22. Show how you would receipt an invoice, for the full amount, £100, paid by Cheque; also how you would receipt the same invoice if a Cheque for £50 only were paid.

23. Of what do the different forms of receipt consist, and what is a counterfoil?

24. Is it necessary to stamp a receipt at the foot or on the back of a Cheque, and why?

25. In respect of what payments are stamped receipts unnecessary?

26. For how long, and in what way, should receipts be preserved?

27. What are Remittance Forms and Acknowledgment Forms, and why are they used?

28. Having received a Cheque from John Smith, New Street, Birmingham, for £9 10 0 in discharge of an invoice of £10, make out a separate receipt therefor, and write a letter enclosing the same.

MONEY.

Those articles which are used in supplying men's material wants are called *commodities*, and the *exchange* of such commodities forms the basis of the whole world of **commerce**, as distinguished from the world of **industry**, which may be said to be engaged chiefly in obtaining, acquiring, or *producing* these commodities. In order to be exchanged, commodities must, as a rule, have a certain **value**, which is the general purchasing power of a commodity or "proportion in exchange." The **VALUE** of a thing is the amount of other commodities for which that thing can be exchanged; or the worth of that thing measured in the terms of some other thing. We measure the value of a thing by what can be obtained in exchange for it; thus we can get half-a-dozen apples for a loaf of bread, or a pair of boots for a pair of trousers. In primitive times, and even in these days, among certain primitive people, buying and selling is carried on by what is called **BARTER.** This in its simplest form means that a man exchanges what he has and does not want for what he has not but does want. When a hunter exchanges his skins and furs for tea, spirits, guns or gunpowder, or a schoolboy swaps a penknife for foreign stamps, we have simple cases of barter. On the West Coast of Africa, palm oil, rubber, and other products, are still bought with cotton stuffs, rum, and muskets; Senegal gum is bought with printed calico; in the interior of Africa a sheep or a goat can be purchased with a yard of white cotton; in many parts of Africa, coloured beads, which are worn as ornaments, are a very common means of purchase. But we can easily see that difficulties would often arise in transactions of this kind. *A* might have skins and want powder; *B* might want skins, but might have only knives or spirits or tea to give in exchange. If *A* were willing to accept knives for the skins, he would have to find a third person, willing to give powder for the knives. Many such exchanges might be necessary before *A* could get the powder that he wants, and at each exchange it would be necessary to arrange as to quantity of one kind of commodity to be given for the other. This system of **barter** or **truck** had two great disadvantages which caused its disappearance before the spread of civilisation, (1) the equivalence or exchange value of different goods was very difficult to estimate without a fixed measure of value; (2) the actual exchange of debt was a very cumbersome and often costly operation.

To avoid as many of these difficulties as possible, it is customary to estimate the value of all articles of commerce in terms of **MONEY,** which is a measure of value and a medium of exchange; or that substance, of whatever nature it may be, which is, by common consent, and for the convenience of the community, employed to represent goods in effecting their sale. It must not be supposed that money is necessarily gold, silver, copper, and bronze. Anything convenient as a standard of value and medium of exchange will serve, and in fact a huge variety of things have been and still are used as money; slaves, cattle, skins, shells, leather, iron, wire, tin, tobacco, nails, salt, cloth, beads, cart-

ridges, have all been used; but the favourites in civilised countries have always been the precious metals of a certain weight and fineness, on account of their **six qualities** of acceptability, durability, portability, divisibility, uniformity, and stability or steadiness of value. In practice it is customary to estimate the value of all articles of commerce in terms of one substance only, **Gold,** which for this reason is called the *common medium of exchange.*

PRICE signifies **Value** in terms of **Money**; it is the consideration which is given under a contract in exchange for the supply of commodities or services. Thus, a sale is defined to be the transfer of the property in a thing for a price. Therefore, when goods are exchanged for goods there is no price, and the contract is one of barter and *not* of sale. In this country, the price of an article is its value put down or stated in the terms or symbols of **£** (*libræ,* pounds), **s.** (*solidi,* shillings), **d.** (*denarii,* pence). These words were the names of certain Roman coins or sums of money, their respective singulars being *libra, solidus, denarius.* **Moneys of Account** are the denominations or divisions of money in which accounts are kept. They may or may not correspond with the coins in circulation, *e.g.*, the moneys of account of England are threefold only, £ s. d., while in the case of France and the U.S.A. they are two-fold, francs and centimes in the former, dollars and cents in the latter.

CURRENCY is the term applied to the legal medium of exchange of a nation, such as the current coins and notes authorised as legal tender, that is, anything which may be legally offered in discharge of a debt. The **circulating medium** or currency may be of **two kinds:** (1) **Metallic** or **Specie,** (2) **Paper.** Metallic currency or specie consists of **coins,** which are pieces of metal of certain weight and fineness bearing a legal stamp.

In England **values** are reckoned in **gold** only, silver and bronze being used legally only for small amounts; Gold is therefore the standard of value of the country. In India, China, Mexico, the standard is **silver. STANDARD OF VALUE** has been defined as that coin or basis upon which the currency of any country is measured and regulated. In order that any particular metal should form a perfect standard, it must be received for coinage in *unlimited* quantities by the State, and coins made with that metal must be *unlimited legal tender.* The less liable the value of the metal is to change, the better it is suited for a standard of value. For this reason and on account of its intrinsic value, gold has always been the favourite standard. **Monometallism** is applied to designate a monetary system in which the standard of value consists of one metal, whether silver or gold. **Bimetallism,** on the other hand, refers to the theory which advocates a double standard of currency (gold and silver) with a fixed legalised ratio between them. This idea has been found to produce great difficulties in practice, owing to the variation in the relative values of gold and silver—the effect being that the ratio usually taken—1 :15½—is far too high. Silver has much *depreciated* in value, owing to its abundance, while gold has slightly *appreciated.* At this ratio, taking £3 17 10½ as the fixed value of an ounce of gold, an ounce of pure silver would be worth 60⅞d. Nominally France has a bimetallic standard, but practically she has a gold standard, only gold being coined.

LEGAL TENDER means the current coin or medium of payment that may be lawfully offered in payment of a debt. They are :—Treasury Notes, Gold of the full weight to any amount, Silver up to 40/-, Bronze up to 1/-, and Bank of England Notes up to any amount in England and Wales, but no one can be compelled to give change for such notes except the Bank itself. A tender must be absolute and unconditional, and the money must be actually produced at the time of the tender. Gold coins issued by the Australian Mints at Sydney and Melbourne are also legal tender here. Pre-Victorian gold coins are no longer legal tender.

The **Mint** is the official place for coining money. The work of coinage in this country is carried on at the Royal Mint, on Tower Hill, London. The coinage of **gold** is conducted for the public, free of all expense whatever to the parties importing or bringing gold into the Mint, it being open to any person to have any quantity of gold wrought into coin, and redelivered to him for standard weight of metal, the same weight of coin without the least charge, but no time is stipulated for the return of the coin. This method of obtaining gold coin, however, is probably never resorted to, the usual practice being for the Bank of England to purchase bar gold of the standard purity or fineness at £3 17s. 9d. per ounce, and sell gold coins at £3 17s. 10½d. per ounce, the difference of 1½d. (called *demurrage*) being equivalent to the loss of interest, and other expenses incident on passing gold through the Mint. An ounce of *pure* gold is worth £4 4s. 11½d. Although the Mint is a government institution it procures its supplies, like any individual, from the Bank of England, which, alone, for many years, has been the sole importer of gold into the Mint. The Bank, on behalf of the Mint, receives light gold coins, which have not been illegally dealt with, at their full nominal value, the loss being borne by the Government, who thus prevent the gold currency from seriously depreciating.

For convenience of manufacture, as well as on account of the fact that pure gold and silver are too soft for common use, coins are seldom made of any one material, an **alloy** (which is a baser metal mixed with a finer) of copper being used to give sufficient hardness. All coins on their issue from the Mint ought to possess a definite weight of the principal metal in their composition, whether gold, silver or copper. The proportion of that metal to the total weight of the coin is called the **fineness** or **purity** of the coin, and it is on the amount of that metal that the value of the coin depends. The English **sovereign** consists of twenty-two parts pure gold and two parts alloy, whence it is said to be 22 carats, or 916⅔ millièmes or $\frac{11}{12}$ fine gold. The legal weight of a sovereign is 123.274 grains, but as it is not possible to produce every coin exactly of the same weight, the Mint is allowed a variation known as a **Remedy**, of $\frac{1}{5}$ of a grain either way, and must therefore not issue a sovereign weighing less than 123.074 grains or more than 123.474 grains. 20 lbs. of standard gold is coined into 934½ sovereigns. The French gold coin called **Napoleon** is only $\frac{9}{10}$ or 900 millièmes fine; in other words 10 lbs. of standard bullion in France contains 9 lbs. of pure gold. The British standard of purity for **silver** is 11 ozs. 2 dwts. of fine silver

out of 12 ozs., or 925 millièmes or $\frac{37}{40}$ fine silver, the $\frac{3}{40}$ alloy being copper. 1 lb. of standard silver is coined into 66/-. The bronze coins contain 95 parts of copper, 4 parts of tin, and 1 part of zinc.

Coined money is of **two sorts** which are respectively called standard money and token money. The former is that in which the fine metal used is the standard metal of the country, as British gold coins. **TOKEN MONEY** consists of coins which are not intrinsically worth the amount named upon them. The value of the fine metal in such coins is fixed by law in relation to the value of the standard metal. While the value of the coins made of the standard metal will rise and fall with the value of that metal, the value of the token coins cannot vary on account of their nominal value being fixed. The non-standard metal is *not* received in unlimited quantity for coinage at the Mint, and when the money made with it is merely a token money, it is not legal tender except in payment of small sums. Where silver and copper coins are mere token money, they represent in coins a greater value than that of the fine metal contained in them, thus: an oz. of silver whose market price is about 2/6 is actually coined into five shillings and one sixpence—giving a profit of 5/- per oz. The real value of copper coins is just a *quarter* of their nominal value. **Seigniorage** is the profit derived by the Mint on our silver and bronze coinage. The privilege of having Silver, Copper, and Bronze wrought into coin is vested solely in the Crown. These metals are supplied to the Mint by orders of the Lords of the Treasury, who make a substantial profit on their issue. These token coins, when much worn, are called in, and new coins given for them; or, as at present, the same principle is virtually acted upon, by giving permission to the Bank to select the deteriorated pieces, and obtain from the Mint those of full weight in exchange.

Sterling is the name given to good, lawful, English money, £ s. d. **Bullion** is gold and silver, of varying fineness or purity, in bars, dust or "groups," that is, mixed coins, medals and morsels of gold. When a remittance of bullion arrives from abroad it is sent to a bullion broker, who will, after assaying (testing its purity) and weighing, furnish an account sales, showing its weight, fineness and money value. It will thus be seen that the precious metals, like the baser metals, are also articles of merchandise, being bought and sold in the usual way. The following is from Messrs. Pixley & Abell's Circular of 19th July, 1906.

Gold—Bar Gold, fine, 77s. 10$\frac{3}{4}$d. per oz., standard; United States gold coin, 76s. 5$\frac{5}{8}$d. per oz.; German gold coin, 76s. 5$\frac{3}{4}$d. per oz., nominal; French gold coin, 76s. 5$\frac{3}{4}$d. per oz., nominal; Japanese yen, 76s. 5$\frac{5}{8}$d. per oz. nominal.

Silver—Bar Silver, fine, 30$\frac{1}{16}$d. per oz., standard; bar silver, two months delivery; 30$\frac{1}{16}$d. per oz., standard; cake silver 33$\frac{9}{16}$d. per oz.; Mexican dollars, nominal; quicksilver, £7 6s., 3 per cent. discount.

PAPER CURRENCY or circulation consists of **Bank-notes** which not only represent money, but which are made legal tender by the Government as being worth in coin the amount named upon them. The efficiency of paper money as a substitute for coins depends on whether the owner can obtain the equivalent in coin whenever he wishes. When paper money can be exchanged for coin to its face value on demand at the Government Bank it is called

Convertible; for instance, our Bank of England notes are convertible, as they are exchangeable at the Bank into sovereigns on demand to the full amount of their face value. **Inconvertible** paper currency is that which cannot be exchanged for coins on demand, but must be accepted as representing its face value. Such a currency is only legal tender for any amount in transactions between the inhabitants of the particular country adopting it. In questions of exchange with a foreign country inconvertible paper money is always at a **discount,** that is, it circulates at a varying rate *below* the value of the coin which it professes to represent. Such a discount is known as **agio** or **premium,** which may be defined as the difference of value between real and nominal money as shown by the Continental rates of exchange; or the difference of value between specie and paper money in those countries where notes are not exchangeable for gold. Thus, it is said, for instance, that *gold is at a premium of 5% on paper*, or that there is *an agio of 5% on gold*, which means that 105 units in paper money are given for 100 units in gold. A depreciated currency (paper chiefly) usually arises from two causes: (1) a tampering with the coinage (2) the issue of paper beyond the power of a Government to redeem.

Money in the form of **coin** is used only to a very limited extent in the discharge of pecuniary obligations, whether the parties belong to the same country or to different countries. The equivalent of coin in paper—bank notes, cheques, bills of exchange, coupons, money and postal orders—is the more usual **mode** of **payment** in all but small transactions. And the proportion of debts discharged in this way is generally greater in proportion to the commercial development of the country in which the transactions occur. The average **proportion** of **debts** so discharged throughout the country will exceed 85%, while in the large commercial centres it will reach 95%. The system of paying by **cheques** has almost superseded all other modes of paying considerable sums; in addition to which they afford great security against loss by theft or accident, as well as an excellent way of proving payments in cases where the receipt has been lost.

TEST PAPER 15.

1. What forms the basis of Commerce, and what is the difference between "Commerce" and "Industry"?
2. What is meant by "Value"? Give simple illustration.
3. Distinguish between "Barter" and "Sale"; and show how the latter is more advantageous than the former.
4. Define "Money," and mention some things, other than the precious metals, which are used as money.
5. What has always been the favourite substance for use as money, and for what reasons?
6. What is meant by "Price," "Moneys of Account," and the symbols £ s. d.?
7. Explain "Currency" and "Standard of Value."
8. In what form is a creditor bound to accept payment?
9. What is coin, and what is the difference between "Standard Money," and "Token Money"?
10. Where, and by whom, is coin made?

11. What is the customary way of obtaining sovereigns in exchange for uncoined gold, and what is the price per oz.?

12. Define (*a*) Bullion (*b*) Specie (*c*) Sterling (*d*) Alloy (*e*) Demurrage (*f*) Fineness (*g*) Remedy (*h*) Seigniorage.

13. What is the difference between "Convertible" and "Inconvertible" paper currency, and what is meant by the following newspaper quotation? :—"Buenos Ayres Gold Premium 127½."

14. What are the two principal causes of a depreciated currency and what is the effect of the depreciation of paper currency upon the holder of a Bank-Note?

15. To what extent does the use of coin enter into the discharge of debts?

16. Write the following names in the form in which you would put them in an Index and state under what letter of the alphabet you would put each of them. Digby, Long & Co. Advertising Balloon Co. Messrs. Calam & Co. Messrs. Richard Cross & Son. John George, Esq. The Manager, The Leipzig Music Works. Messrs. John & Joseph Taunton, Ltd. Messrs. Hobson, Parks, Walker & Co. Mrs. F. McClean. Messrs. Thomas O'Sullivan & Co. The Manager, the London Joint Stock Bank, Ltd. The Rev. J. E. C. Welldon. Arthur Eardley-Wilmot, Esq.

17. Messrs. Lilley & Son, of 10 London Street, Fenchurch Street, London, E.C., are dealers in Mathematical Instruments and Drawing Materials. On the 1st December, 1917, Messrs. Lilley & Son sell to George Marples, Esq., Technical College, Huddersfield, the following goods, which are forwarded per G.N. Rly. Co., Carr. paid. (*a*) Prepare Invoice :—

5 doz. Drawing Boards, Half Imperial size, 23 by 16, No. 100, at 21/9 doz.
1½ doz. Drawing Boards, Imperial size, 31 by 23, No. 101, at 38/- per doz.
2½ doz. Battened Drawing Boards, Half Imperial, 23 by 16, No. 102, at 33/- doz.
7½ doz. T-Squares, Taper Blades, Half Imperial size, 24in., No. 115, at 15/- doz.
1 gross Set Squares, Pear Wood, ebonised wood edges, No. 133, at 10/3 doz.
5 doz. pairs Set Squares, Transparent Celluloid, No. 137, at 16/6 doz. pairs.
2¾ doz. Rectangular Protractors, German Silver, No. 272, at 13/8 per doz.
2 Gross Drawing Pencils "Polygrade," 3H No. 395, at 1/5 per doz.

(*b*) On 11th Dec., Lilley & Son discovered that they had charged 1/- per doz. too little for the first item of their invoice, namely, the 5 doz. Drawing Boards. Prepare a Debit Note to remedy this undercharge, and write a letter enclosing same.

(*c*) In course of transit, one Drawing Board, Imperial size, charged at the rate of 38/- per doz., was damaged and was returned to Lilley's by Mr. Marples. Write letter returning board.

(*d*) Reply thereto, and prepare C/N. dated 12th Dec.

(*e*) The following is a copy of Mr. Marples' A/c. in Lilley's Ledger. Prepare therefrom a Statement showing the necessary particulars as on 31st December, 1917.

Dr. George Marples, Huddersfield. Cr.

1917.		£	s.	d.	1917.		£	s.	d.
Oct. 1.	To balance b/f. ..	50	9	-	Oct. 8.	By Cash	47	18	6
,, 23.	,, Goods	14	3	6	,, 8.	,, Discount	2	10	6
Nov. 9.	,, do.	8	4	9	,, 12.	,, Returns	-	3	2
,, 28.	,, do.	3	6	2					
Dec. 1.	,, do.	32	11	6					
,, 11.	,, Debit Note....	-	5	-					

BANKS.

As early as the 11th and 12th centuries the **practice** of **banking** had reached a highly developed state in the Italian Cities, but we find no mention of it in England till the time of the Stuarts. In a pamphlet published 1676 it is stated: "Much about the same time, the **Goldsmiths** began to receive the rents of gentlemen's estates remitted to Town, and to allow them and others who put cash in their hands some interest for it. This was a great allurement for people to put money in their hands, which would bear interest till the day they wanted it; and they could also draw it out by one hundred pounds or fifty pounds, &c., at a time as they wanted it." This was the beginning of the **system** of **credit** which is now the foundation of all modern business, as well as of banking. But national public credit was, as yet, but precarious in the extreme. The King was still supposed to "live of his own," and his debts were secured by personal good faith alone. When, therefore, Charles II., to whom the Goldsmiths had lent large sums, closed the exchequer in 1672, and confiscated £1,300,000 of the latter's money, public credit received a rude shock. The accession of William III., however, witnessed an entire change in this respect, and the personal sovereignty of the monarch gave way finally to the present system of parliamentary control and responsibility. When Montague, the Chancellor of the Exchequer, adopted in 1694 the expedient suggested by William Paterson, of **granting** special **banking facilities** to a company in return for a loan to the State, the newly created public confidence was shown by the rapidity with which the capital of the "Bank of England" was subscribed. The **establishment** of the **Bank of England** was the foundation of our modern financial system; and by means of familiarising the public with the use of credit in productive enterprise, it opened up roads to wealth hitherto undreamt of. The Bank was enabled to lend money at a much lower rate of interest than that charged by the Goldsmiths, owing to their larger capital and the remunerative terms of their contract with the Government, and often discounted bills at 4% instead of the 6 or 8 charged by their rivals.

The word **BANK** is derived from the Italian *banco* = bench, and arose from the fact that the Lombard Jews, who commenced banking in the year 808, kept benches in the market places for exchanging money and bills. To put it shortly a bank is an establishment for the custody and issue of money, which, in its various forms, as well as securities for money, is the only thing bankers deal in. **Banks** are divided into **two classes,** (1) Savings' Banks (2) Commercial or Traders Banks. The chief difference between them is that the former exists for the encouragement of thrift and receives money for investment merely, while the latter occupies the position of a general public cashier, receiving and paying on demand. A secondary difference is that a Savings' Bank after payment of interest and expenses places the surplus profit to a Reserve Fund, while in a Commercial Bank, after payment of interest and expenses and sometimes an addition to a Reserve Fund, the profits are distributed among the partners or shareholders.

SAVINGS' or DEPOSIT BANKS were first instituted in this country at Wendover in Buckinghamshire, in 1799. This bank was followed by the establishment of a similar bank at Ruthwell, Dumfriesshire, which was so successful that numerous other "banks for savings" were opened in various parts of the country. In 1817 the Government passed the first **Savings' Bank Act,** which, among other matters, provided for the establishment in certain of the more populous centres, of "Banks for Savings to be under the supervision of locally appointed unpaid trustees and managers." The year 1828 has been considered one of the turning points in the history of savings' banks, because a very important measure was then passed, which has special reference (1) to the more effectual working of the banks, (2) to the better security of their funds as in the hands of their trustees, and (3) to matters affecting the rates of interest, limits of deposit and classes of depositors. For a large number of years, the **Trustee Savings' Bank system,** by which designation it was now known, made steady and substantial progress, until, in 1861, a new era is the history of British thrift was introduced by the establishment of the **Post Office Savings' Bank** system, officially launched under the guiding hand of Mr. Gladstone, who was Chancellor of the Exchequer at the time. The honour of initiating the movement belongs to Mr. Charles Sikes, a Huddersfield banker, who well deserved the knighthood afterwards conferred upon him. His scheme for establishing savings' banks through the medium of the Post Office also involved a plan for introducing the Money Order System, the benefits of which have ever since been appreciated by the public. And it need hardly be said that its wisdom, its simplicity, its necessity, and its cheapness, at once commended the scheme to the favourable consideration of the Government of the day. The great underlying **principle** of both the older Savings' Banks and the Post Office Savings' Bank is to afford to the humbler classes of the people a ready means of saving their earnings, which is at once simple, cheap, and affords sufficient margin of profit to enable the banks to pay their way.

In the year 1891, the **Trustee Savings' Bank Inspection Committee** was called into existence. Under the supervision of inspectors appointed by this Committee, which works in conjunction with the National Debt Commissioners, every Trustee Savings' Bank in the U.K., numbering about 225, is, once a year at least, subject to a very searching **audit,** with the result that they now enjoy more public confidence than ever. In the two British Savings' Bank systems—the Trustee Banks (which are voluntary associations, the property and management of which are vested in their trustees and officers) and the Post Office—there are at the present time over *ten millions* of individual depositors, or close on *one in every four* of the entire population of the U.K., owning over *two hundred million sterling,* or about twenty pounds each. In the Post Office alone, on 31st December, 1912, the number of depositors was 11,332,784 with £182,104,564 standing to their credit. Some Savings' Banks accept even the deposit of a penny, and are thus called "Penny Banks."

The **POST OFFICE SAVINGS' BANK** was designed to grant additional facilities for depositing small savings at interest, with the direct security of the State for the repayment of the deposits, which may be made by all persons over 7 years of age, not under legal disability; as well as by trustees of persons or institutions.

An **account** may be **opened** at any of the 15,055 Post Offices in the U.K. by the deposit of not less than **1/-** and not more than **£50** in any one year, or **£200** altogether. Each person must state his christian names and surname, occupation and residence, and must also sign a declaration to the effect that he takes no benefit from any other account in the Post Office Savings' Bank, or any Trustee Savings' Bank.

On making a **deposit,** the amount is entered in the Depositor's Book, which should be carefully examined before leaving the Post Office to see that the entry is correct. When the deposit is for **£5 or over,** an acknowledgment is sent by post from the Central Savings' Bank in London, and this should reach the depositor within four clear days. No such acknowledgment is sent for deposits under £5.

Interest on deposits is at the rate of **£2 10s. 0d.** per cent. per annum, for each complete pound, and is calculated from the first day of the calendar month next following the day on which a pound has been deposited or completed up to the last day of the calendar month preceding that in which a warrant for repayment is issued, and after each 31st December it is added to the principal; but when, by the addition of interest or dividends, &c., the sum due in a deposit account is raised above £200, interest is allowed on £200 only. **Once in each year,** on the anniversary of the day on which the first deposit was made, each depositor should **forward** his **book** to the **Controller** of the Savings' Bank, in order that it may be compared with the Ledgers, and that the interest to the previous 31st December may be entered.

When a depositor wishes to **withdraw** money from his account, he should fill up and forward to the Central Savings' Bank a **notice of withdrawal,** which he can obtain at any Post Office transacting Savings' Bank business. He will then receive by post a **warrant,** which he should present, together with his book, at the Post Office where payment is to be made, and the Postmaster will take from him a receipt on the warrant. Any sum not exceeding **£1** can be withdrawn **without notice.** A form of application will be handed to the depositor to fill in, and his receipt for the money will be taken on the same form. The Depositor's Book will be retained by the Postmaster for transmission to the Central Savings' Bank, but will be returned to the Depositor in the course of a few days. A Depositor may obtain payment from his account of any sum not exceeding **£10 on the same day** on which notice is given by defraying the cost of the necessary telegrams to and from the Controller, Savings' Bank, London. He may also, at a less cost for telegraphing, obtain payment from his account, on the day after giving notice, of any sum not exceeding **£20.** The "return of post" warrant is addressed to the depositor at the paying office "to be called for," unless other directions are given in the telegram of withdrawal.

COMMERCIAL BANKS for the use of traders are of two kinds —(1) Joint Stock, (2) Private; the functions of both being the same, but the management different. The most important **Joint Stock** Bank in the world is the **Bank of England,** which arose through the exertions of William Paterson and out of the agreement of forty capitalists to lend £1,200,000 to the Government towards carrying on the war against France, in return for a Charter, which was issued on the 26th July, 1694. This provided that "During the continuance of the Corporation of the Governor and Company of the Bank of England, no other Bank, or any other Corporation, society, fellowship, company or constitution in the nature of a bank shall be created or established, permitted, suffered, countenanced or allowed by Act of Parliament, within this Kingdom." The Charter has been renewed and modified several times, but in 1825 its **monopoly** as a Joint Stock Bank was **abolished**—banks of the kind being allowed at not less than 60 miles from London. The first started were at Lancaster, Bradford, and Norwich. In 1833 the Bank's Joint Stock monopoly was abolished as regards London, and, as a result, in 1834, the London and Westminster; in 1836, the Union Bank of London; and in 1839, the London Joint Stock Bank and the London and County Banks were started. The Bank of Scotand was founded in 1695 with a monopoly for 20 years. The British Linen Bank was incorporated in 1746 for the manufacture of linen, but this was soon abandoned for banking only. The Commercial Bank of Scotland was established in 1825, and the Bank of Ireland was started in 1783.

The **privileges** of the **BANK OF ENGLAND** were finally defined and consolidated by the **Bank Charter Act of 1844,** which remains to this day its sanction and protection. From the original capital in 1694, the loan to the Government had gradually increased, till in the year 1844, it had reached the amount of £11,015,000, at which figure it still remains. The Bank Charter Act, strictly limited its issue of notes, and separated the **Issuing** and **Banking** functions of the Bank, a different system of account and staff of officers being allocated to **each department.** The Bank was empowered to issue notes of the value of £14,000,000 (the amount of the Government loan of £11,015,000 above-mentioned and certain other securities incidental to the lapsed note issue of the other banks, amounting to £3,000,000), against which securities to that value, including the Goverment loan, were to be transferred to the **Issue Department,** with power, in the event of other banks ceasing to issue notes, to increase securities in the issue department and to issue additional notes in the proportion of two-thirds of the amount of the authorised issue of such lapsing bank. Since 1844 there has been a very considerable series of **lapses** in the **note issue** of other banks, and by this means the authorised circulation of the Bank of England has increased to **£18,450,000.** By the Act, any other bank which on the 6th May, 1844, was lawfully issuing its notes and has done so continuously since then, may continue to do so, but its issue is limited to the average circulation during the twelve weeks preceding 27th April, 1844.

Although the Bank of England is theoretically only one among many Joint Stock Banks, it has certain privileges and functions which give it an unique position. It is the only English bank **Incorporated** by **Act** of **Parliament,** and is outside the application of the Companies' Acts. The Bank has a capital of £14,553,000 in stock, and the liability of the stockholders is held to be limited to the amount of their individual holding of stock, although it is not registered under the Companies' Acts. Of its **privileges** the most important are those referred to in the Bank Charter Act, and those that grow out of the fact that the National Debt is managed through its agency, but its peculiar position is largely due to the fact that other banks keep their reserves with it, so that it is the **bankers' bank.** It discharges towards the rest nearly the same functions which they each discharge towards their own customers. It is the only practical channel by which gold reaches the Mint—buying gold at £3 17s. 9d. per ounce and selling sovereigns at £3 17s. 10½d. per ounce.

The **BANK RETURN** is the weekly report issued by the Bank of England every Thursday afternoon, and is looked for not only by City men, but by merchants and bankers all over the kingdom. It shows the amount of Bank-notes in circulation, the stock of Bullion and Coin in reserve, and such other details as enable the experienced to judge the state of the money market, and its probable tendency in the immediate future. The following is the official Return of both Departments of the Bank made on the 2nd June, 1910; also the Consolidated A/c. in the form of an ordinary Balance Sheet, except that there is no record of the value of the Bank's premises and furniture, which are worth some millions.

BANK OF ENGLAND.

An account, pursuant to the Act 7 and 8 Vict., cap. 32, for the week ended on Wednesday, June 1st, 1910:—

Issue Department.

Notes Issued	£57762000	Government Debt	£11015100
		Other Securities	7434900
		Gold Coin and Bullion	39312000
		Silver Bullion	—
	£57762000		£57762000

Banking Department.

Proprietors' Capital	£14553000	Government Securities	£14938716
Rest	3141738	Other Securities	32405741
Public Deposits, including Exchequer, Savings Banks, Commissioners of National Debt, & Dividend Accounts	23037383	Notes	29386140
		Gold and Silver Coin	1131289
Other Deposits	3708591		
Seven-day and other Bills	21174		
	£77861886		£77861886

J. G. NAIRNE, *Chief Cashier.*

CONSOLIDATED ACCOUNT or BALANCE SHEET.

Liabilities.		Assets.	
PROPRIETORS' CAPITAL	£14553000	Government Debt	£11015100
Notes in circulation	28375860	Other securities in issue dept.	7434900
Public Deposits, etc.	23037383	Government ditto. in banking	14938716
Other Deposits	37108591	Other securities in ditto	32405741
Seven-day and other Bills ...	21174	Coin and Bullion on hand...	40443289
REST or undivided Profits...	3141738		
	£106237746		£106237746

The above return shows the following changes compared with the previous week :—

Active circulation of notes	Increase	£254705
Public Deposits	Increase	1741010
Other Deposits	Decrease	676670
Government Securities	Increase	1019284
Other Securities	Decrease	1499338
Bullion	Increase	1773775
Notes in reserve	Increase	1448410
Rest	Decrease	24537
Reserve	Increase	1519070

Proportion of Reserve to Liabilities 50.72 per cent. against 49.06 per cent. last week.

From the **Return** of the **Issue Department** it appears that at the close of business on 1st June, the Bank of England had its **notes issued** outstanding to the extent of £57762000, against which it held coin and bullion for £39312000, and securities for £18450000. Under the **Bank Charter Act, 1844,** the Bank was authorised to issue notes to the extent of £14000000, against securities, and given the power of increasing the *fiduciary issue*, on the discontinuance of the issue of notes by any country bank authorised to issue notes, to the extent of two-thirds of the lapsed issue of such country bank, and it is through the exercise of the right so conferred that the issue against securities has increased from £14000000 to £18450000. It will be noticed that, of the notes issued by the Issue Department, £29386140 were held by the Banking Department. Hence, notes to the extent of £28375860 were in the hands of the **public**—including the other banks—and constituted the **active circulation** of the Bank at the date of the above Return.

In the **Return** of the **Banking Department** the first item is **Proprietors' Capital.** The amount thereof—£14553000, the largest paid-up capital of any bank in the world—gives to the Bank a position of absolute stability and of unrivalled strength.

The **Rest** consists of the surplus or **undivided profits** to date of the Bank's business. As the directors never allow this fund to fall below £3000000, it is to that extent of the nature of a **reserve fund.**

The amount standing to the credit of **Public Deposits** represents the balances at the credit of the accounts of the British Government departments, the Secretary of State for India and kindred accounts. The amount varies from about £6000000 to £14000000, being greatest usually during March of each year, when the collection of income and other taxes is specially heavy, causing the amount to run up to over £20000000.

The amount at the credit of **Other Deposits** represents the Bank's liability to its ordinary customers, including the chief London banks, which keep their **floating balances** with the Bank.

The balance at the credit of **Seven day and other bills** represents the Bank's liability in respect of bills issued by its branches at a currency of **seven days fixed** for remittance purposes.

On the **assets** side of the Return of the Banking Department, the first item is **Government Securities.** These are such securities held by the Bank as yield an **Income** guaranteed by the British Government—Consols, Exchequer Bonds, Treasury Bills, &c.

The **Other Securities** include the Bank's **investments** in Indian, Colonial and Corporation securities, bills under discount, and advances to bill brokers and to its ordinary customers.

The **Notes, Gold** and **Silver Coin** jointly constitute the **Reserve,** the **actual cash held** by the Banking Department to meet its liabilities to the public, that is, in respect of Public Deposits, Other Deposits, and Seven day and other bills. In the above Return it will be noticed that the notes, gold and Silver coin, amounted to £30517429, as compared with liabilities to the public of £60167148. The ratio of cash to liabilities on 1st June, 1910, was thus 50%.

JOINT STOCK BANKS are usually composed of a large number of shareholders, who have publicly contributed to the capital required. They are either Limited or Unlimited. Where the banks are *unlimited* the entire private fortunes of the shareholders are liable for the debts of the bank. In a *limited* bank, the shareholders, if the bank does *not* issue its own notes payable to bearer on demand, are only liable for the subscribed amount of their shares. In a "limited" bank issuing its own notes (called a "bank of issue") the amount paid upon the shares is limited, but the shareholder's liability is *unlimited* for the amount of the notes issued, and if *these* could not be met on demand, each shareholder would be liable to contribute for their payment. Joint Stock Banks issue a periodical Balance Sheet, and publicly advertise the dividends as they are paid. The shares are transferable at any time, and, consequently the capital of these banks is of a fluctuating value, rising and falling according to the market price of the shares.

Although the Joint Stock Banks carry on the greater part of the banking business of the country, there are still left a few **PRIVATE BANKS,** the number of whose partners must not exceed 10, and whose liability is, of course, unlimited. The shares of a private bank are not transferable, except by the mutual consent of the other partners, every partner being liable to his last penny for the debts of the bank. The principal differences between Joint Stock Banks and Private Banks are (1) That a Private Bank is carried on under the direct supervision of the partners, while a Joint Stock Bank is managed by a Board of Directors, who meet once a week in order to discuss all important matters and instruct the Manager. (2) That a Private Bank is not compelled to publish a Balance Sheet, but this is compul-

sory in the case of Joint Stock Banks. (3) That the profits of Private Banks are divided amongst the partners instead of, as in the case of Joint Stock Banks, amongst a large body of shareholders, after the provision of a substantial Reserve Fund.

TEST PAPER 16.

1. What is the basis of our modern financial system?

2. What is a bank, into what classes are banks divided; and what are the chief differences between them?

3. What is the object of the Post Office Savings' Bank, who may deposit therein, and what are the limits of deposit?

4. What is the rate of interest payable by Savings' Banks, and when should a depositor's book be sent to the P.O. Savings' Bank?

5. How are withdrawals made from the P.O. Savings' Bank, and how may £10 be obtained at two or three hours' notice?

6. By what method is the deposit of an amount in the Post Office Savings' Bank acknowledged?

7. What are the principal differences between the two kinds of Commercial Banks?

8. Which is the largest Joint Stock Bank in the world, to what does it owe its origin and what are its special privileges?

9. What is meant by a "Bank of Issue?" Under what conditions does the Bank of England issue notes?

10. What is the "Bank Return?" Comment on its details.

11. State difference between "Limited" and "Unimited" Banks.

12. In the Letter Book Index you have the following :—Allan & Co., 5, 7, 20, 22, 52, 86, 101, 130, 169, 175, 203, 264. Show what the cross-reference would be for each of these pages.

13. Why are letters registered, and how is registration effected?

14. (*a*) Fill up an Order Form dated 20th February, 1917, to Kaye & Crowther, Huddersfield, ordering the following goods, as per patterns enclosed :—

28 yds. Black Serge @ 4/3. 36 yds. Black Diagonal Coating @ 5/6. 52 yds. Black Italians @ 1/2 as per patterns enclosed. To be forwarded per L. & Y. Ry. (*b*) Write a letter from Kaye & Crowther acknowledging receipt of order, and stating that it will be executed in three days. (*c*) Fill up Consignment Note. (*d*) Prepare Invoice. (*e*) Write Kaye & Crowther complaining that the Black Serge is not equal to pattern and asking what allowance they are prepared to make. (*f*) Reply regretting complaint and requesting return of piece. (*g*) Reply offering 3/9 a yard. (*h*) Reply accepting offer with a view of maintaining good business relations, and enclosing C/N. (*i*) Prepare C/N. (*j*) Prepare Statement to be sent 1st March. You owed a balance b/f. on 1st February of £15, which was paid on the 13th February, after deducting 5% discount.

BANKING and CHEQUES.

BANK BUSINESS consists principally of (1) keeping Current A/cs. for customers (2) receiving deposits at interest (3) discounting Bills of Exchange (4) advancing money in the form of Cash credit and loans or overdrawn a/cs. (5) issuing Bank-notes (6) acting as agents for others.

The **income** of a Bank is chiefly derived from (1) interest on overdrawn a/cs., loans and investments (2) Commission on Cheques drawn on Current A/c. (3) charges made on discounting Bills of Exchange (4) Commission received for acting as agent (5) the issuing of Notes. **BANK CHARGES** include interest on overdrafts, commission on cheques and drafts, charges for cheque books, postages, and for collecting cheques payable abroad. While all Banks charge interest on Overdrawn A/cs., most of them also allow interest on the minimum monthly balance of the Current A/cs. of their customers. The **Commission** charged by banks to their customers for cashing cheques drawn by them is usually 2/- or 2/6 per cent. It is customary for Banks to balance their books every half-year, when the Pass Books are also balanced and ruled off. Bankers accept money either on *deposit account* or *current account*.

A **DEPOSIT ACCOUNT** is one where sums of money are deposited, either for a *fixed period* of three, six, or twelve months, or available at customers' notice or on *demand*. The rate of interest depends on conditions of the lodgment, but it is not usual to allow interest for a less period than a month. The acknowledgment of the receipt of a fixed sum by the banker is generally given on an oblong piece of paper known as a Deposit Receipt, on which is specified the interest to be paid and the notice to be given before the money is withdrawn.

A **CURRENT** or **DRAWING ACCOUNT** is one in which are entered transactions between two parties; an **open** a/c. into which the customer of a bank pays money and out of which he may draw, **on demand,** *without giving any notice,* the oldest credits being set off against the oldest debits. Money may thus be lodged in a bank to be withdrawn or added to *at any time,* with or without interest as may be agreed upon. It is the practice in London for a Bank to require from a customer that he shall keep a **minimum balance** of say £50 or more to his credit, upon which no interest shall be allowed, and in return for which the Bank shall charge no commission to the customer on the turnover. In the provinces it is more usual to allow 2% interest on credit balances and charge 2/6% commission on the turnover, *i.e.*, on the total amount of cheques drawn. There are six great **advantages** in having a Commercial Banking A/c.

1. The inconvenience and danger of having in your office large sums of money is avoided, and you may receive interest.

2. By means of small slips of paper called "cheques" you are able to transfer money, not only to another merchant in your own town, but also to any part of the country, thus avoiding the trouble of counting and the expense and risk of sending coin or notes. Cheques may be used as evidence in case of disputed payments; and where all your cash transactions are passed through the Bank an authentic record is thus kept.

3. You may have collected without any trouble the cash for the cheques and bills of exchange received by you, as well as have your bills of exchange discounted.

4. A Banker is a continual referee as to respectability, and thus a means of increasing your credit; while information as to the stability of other traders is easily ascertained.

5. You may overdraw your a/c. on providing sufficient security or sureties to cover the overdraft.

6. A Bank is a secure place of deposit for any deeds, papers, or other property requiring special care. It is also a ready channel of obtaining information respecting commercial transactions, payments abroad, buying or selling stock, &c.

When commencing business, or **opening** a current or **drawing a/c.** with a Bank it is usual to have an interview with the Manager, to arrange the terms and sign the Autograph Book. If your references are satisfactory the Manager will hand you three books: (1) Pass Book, (2) Cheque Book, (3) Credit Slip Book.

The **PASS BOOK** or Bank Book is for the purpose of entering all the amounts received and paid away by the bank on your behalf. This book must be taken to the Bank at frequent intervals to be entered up, and on its return each item must be carefully checked. in order to see that you have been duly credited with all your deposits and debited with the amounts withdrawn by cheques.

At least thrice a week a merchant should pay his surplus cheques etc., into the bank. The cash is handed to the banker's cashier or **teller,** accompanied by a **paying-in-slip,** or **CREDIT SLIP,** upon which is entered the amount of the bills, cheques, notes, and coin; the total thereof being credited to the payer by the banker. The advantage of the use of this slip is that it can be referred to in case there should arise any dispute as to the amount intended to be paid in. Most Credit Slips have Counterfoils attached to them, in which case you would enter the particulars on the Counterfoil for reference Most customers get the Counterfoils initialled by the banker's clerk, while others require the amount to be entered in the Pass Book.

To the Yorkshire Banking Company, Limited.

Bank of England Notes ...	100	-	-
Treasury Notes	20	-	-
Gold { Sovs. ... ... £50 / Half-Sovs... £10 }	60	-	-
Silver and Copper	12	-	-
Total Cash ...	192	-	-
Local Cheques and P.O.'s	83	10	-
Country Cheques	264	17	6
London Cheques	119	2	6
Bills	300	-	-
Total £	959	10	-

2nd March, 1919.

Credit *the Current Account of*

.....*Self*.....

with the sum of £959 : 10 : -

paid in by

ALBERT PUPIL.

Money can only be withdrawn from a Commercial Bank by means of a **CHEQUE,** which is a stamped order made by the **Drawer** thereof upon a banker (known as the **Drawee**) to pay a specified sum of money to a stated person (known as the **Payee**) or to the bearer therof. With the view to convenience and uniformity, and as a safeguard against fraud, elaborately designed and delicately tinted cheque forms, impressed (however small the amount) with a twopenny stamp, are supplied in books of 30, 60, &c., by the bank to each of its customers, who pay the stamp duty only. It is quite legal, although unusual, to write a cheque upon a piece of common paper, and affix a penny or two half-penny postage stamps thereto. If unstamped on presentation for payment the banker can stamp a cheque and deduct the 2d. from the amount paid, or charge it to his customer. A foreign cheque requires a twopenny postage stamp affixing on arrival in this country—not a bill stamp.

A **Cheque Book** consists of two unequal parts, divided by perforation like postage stamps, the smaller or left-hand part being called the **counterfoil** the larger oblong portion being the **cheque form,** which, after being filled up in *ink,* is torn off at the vertical dotted line and handed to the party to whom you have made the cheque payable. The clerk of a customer may only obtain a new cheque book on presenting a *written* application signed by his principal. Towards the end of many cheque books will be found a Form of Application for a new cheque book.

Counterfoil. *Cheque Form.*

No. .....

.....*1919*

.....

.....

.....

£ .....

No. .... *Huddersfield,*.....*1919*

To the

National Bank,

LIMITED.

Pay.....*or Order*

STAMP TWO PENCE.

£

LONDON BANKERS:
MESSRS. BARCLAY & CO., LIMITED.

A cheque may be drawn to be made payable either to **Bearer** or to **Order.** A cheque payable to **BEARER** is, as its name implies, payable to the holder or possessor or bearer of it, that is, anyone who may *present* it at the Bank. Bearer cheques do not require *endorsing.* A cheque payable to **ORDER** is the most common kind, and always requires to be endorsed by the person to whom it is made payable before the banker will cash it.

ENDORSING is the act of the person to whom a cheque is made payable, signing his name across the back of it at the perforated end. A banker is *not* liable if he pays a cheque with a forged endorsement. Endorsements are of two kinds: (1) **General** or **blank,** where the payee or **endorser** merely signs his name on the back, and (2) **Special,** or endorsement in full, where the payee transfers his interest in the cheque to some special **endorsee,** thus:

Pay A. J. Jones, or order,
W. Tillotson.

A cheque endorsed *generally* or *in blank* at once becomes negotiable, and needs no further endorsement, but one endorsed *specially,* as above, requires further endorsement by the endorsee (A. J. Jones) before negotiation. A cheque payable to a Company should show that it is endorsed *on behalf* of the Company by some legally recognised official, as:

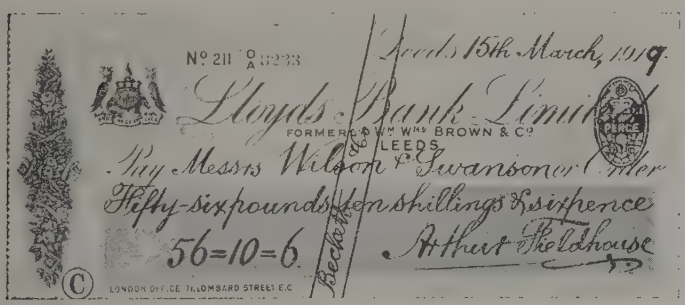
for the New Centaur Cycle Co., Ltd.,
W. J. Jenks,
Manager.

PRESENTING a cheque is the taking of it to the Bank named on the face of the cheque, and requesting cash for the amount specified thereon. It sometimes happens, however, that where a customer has not sufficient money in the bank to meet a cheque, the banker refuses to cash the same, returning it marked R/D. (Refer to drawer) or N/S. (not sufficient funds), in which case the cheque is said to be **dishonoured.** After a cheque has been refused which exceeded the customer's balance, smaller cheques may still be paid when presented. In Scotland, however, it is not so; presentment of a cheque there establishing a lien on the balance in favour of the holder of the cheque. The remedy or right of action of the payee in respect of a dishonoured cheque is against the drawer and not the banker. On receipt of information from your banker that a cheque is dishonoured you must write to the person from whom you receive it demanding immediate cash. A **marked cheque** is one that has been initialled by the banker upon whom it is drawn, thus indicating that he has sufficient funds with which to meet the cheque at the first "clearing" of the following day.

The phrase **OR ORDER** which follows the name of the person to whom a cheque is made payable, means that such person may, by endorsing it, *order* or *authorise* anyone else to receive the money. Therefore an **order** cheque is not **negotiable** until it is endorsed; but a *bearer* cheque is negotiable *without* endorsement. If the words *order* or *bearer* were omitted from, or struck out of the cheque, it would not restrict the negotiation of the cheque, which would be treated as an **order** cheque and require endorsement as such.

A CROSSED CHEQUE is one on which (1) **two parallel transverse lines** are drawn across the face with or without *& Co., Not Negotiable, Under Fifty Pounds, &c.*, or the name of a banking firm written between them, as *Beckett & Co.,* or *Union Bank*; or (2) the name of a banker, merely, is written across without the parallel lines.

The general effect of this **crossing** is that you cannot obtain cash for the cheque on presentation at the counter of the Bank upon which it is drawn; but must simply pay or hand over the cheque to your banker, who will collect the amount from the bankers named on the cheque, and credit your banking a/c. with the amount. Therefore the ordinary or **general crossing** of a cheque is equal to writing across it "payable through a bank only"; while writing across the cheque the name of a bank is equal to saying to your banker "pay through this bank only." The latter method is called a **special crossing.** In the following example *your bank,* Lloyds Bank Limited, would be compelled to pay the sum to Beckett & Co., as your crossing specially directs it. When cheques are to be sent by post they should always be crossed. If, when drawing a cheque, you should "cross" it by mistake, you may **open** it *i.e.,* cancel the crossing by writing across the cheque "*Pay Cash*" and adding your signature. A person receiving a crossed cheque, who has no banking a/c., must either hand it over to a person who has a banking a/c. or lodge it at a bank for collection and call in a few days for the cash. In the latter case a small commission would be charged. A cheque which is *not* crossed is sometimes spoken of as an **open cheque.** Should you wish to draw a cheque so that none but the payee may obtain the cash, it would be necessary not only to *specially cross* it and mark it "not negotiable," but also to strike out "or order" and insert "only," which alteration would require initialling.



In practice there are **four essentials** in **drawing** a **cheque**; that is, **filling** up a **cheque form.**

1. The **date** should always be that upon which the cheque is actually drawn or made out, although it is not invalid by reason only that it is *undated, ante-dated* (dated *before* the true time), or *post-dated* (dated *after* the true time), or that it bears date on a Sunday. An undated cheque would be refused by the banker and marked "Incomplete." Post-dated cheques cannot be cashed until the arrival of the day named thereon, and those dated on a Sunday cannot be cashed until the following business day. Care should be exercised at the beginning of a new year when inserting the *year.*

2. The **name** of the **payee,** that is the person to whom it is made payable, must be clearly and boldly written. When with-

drawing money from the bank for yourself, the word "Self" or "Selves" must be written in the place provided for payee's name.

3. The **amount** must be clearly stated in **words** in the body of the cheque, and in **figures** at the left-hand bottom corner. It is named twice to save uncertainty, and as a precaution against fraud. Although the banker is bound in *law* by the words it is the *practice* to return a cheque in which the words and figures do not agree, marked "amounts differ." Where figures are only given the cheque would be returned marked "incomplete." Should the amount be altered it must be initialled by the drawer, otherwise payment will be refused.

4. The **signature** of the **drawer** or payer must be clearly written at the foot of the cheque. When an **officer** of a **company** draws a cheque he should sign as follows :—

Per pro. Leeds Steel Co., Ltd.,
James Day, Manager.

Before tearing the cheque out of the book you should enter on the **Counterfoil** at least four items :—Date, name of payee; what the payment is for; and the amount.

A **Banker** is his **customer's debtor** when the balance of the a/c. is in the customer's favour, and an ordinary cheque on the banker is a Bill of Exchange payable **on demand,** directing the banker (the drawee) to pay money to some payee. The **authority** of a banker to pay a cheque drawn on him by his customer is **determined** or rendered void by :—(1) Countermand or **stopping** of payment in writing by the customer, (2) Notice of customer's death, (3) Notice of customer's bankruptcy, (4) The operation of an Order from a Court.

Although the drawer is liable for six years on a cheque a banker would probably refuse to cash a cheque six months old as **stale.** The **holder** of a cheque should pay it into the bank not later than the day after he has received it, as if retained longer he runs the risk of the bank failing, in which case he becomes the banker's creditor. A cheque torn in two pieces and pasted together would generally be returned marked "Cheque mutilated."

A banker is bound to know his **customer's handwriting** as drawer, and if a banker pays a cheque on which the drawer's name is **forged,** the loss falls on the banker. The same rule applies if the body of a cheque be in *part* forged; unless the customer, by his carelessness in drawing the cheque, has given opportunity for the forgery; as in the case of a cheque for *Six Pounds,* £6, which might easily be altered to *Sixty,* £60, if carelessly drawn.

If a **banker disobeys** the **crossing** (that is, if he pays a crossed cheque across the counter or a specially crossed cheque to the wrong banker), he is liable to the true owner of the cheque for any damage he may sustain through such payment.

When a **crossed cheque** is marked **Not Negotiable** it means that the receiver shall not have, and shall not be capable of giving, a better title to the cheque than the person from whom he took it had. If the person who transfers the cheque had a good title, the

taker is safe; otherwise, though he presents the cheque and gets the money, he may have to refund it. These two words *do not prevent transfer* of a cheque, but merely constitute a **caution** addressed to the receiver or **transferee** and really mean—**Beware of the Transferor**—the person handing you the cheque. If you accepted such a cheque from a stranger in return for some goods, and on presentation it was found that the stranger had stolen it, you, although innocent, would lose the value thereof, which would be restored to its lawful owner, who is protected from loss by those two words. The banker on whom the cheque is drawn may pay it to any banker who presents it if crossed generally, or to the banker named if it be crossed specially, and the banker who receives the money may pay it to his customer, and neither banker, if he has acted in good faith and without negligence, will be liable to refund the money. The words "not negotiable" themselves do not constitute a crossing.

A **Negotiable Instrument** is a document which, by endorsement and delivery, or by mere delivery, passes the full title to the benefit of the instrument to the transferee, who takes it bonâ fide and for value, irrespective of any defects that there may be in the transferor's title, and on which the holder is liable to sue in his own name.

A cheque, bill, and promissory note are negotiable instruments, and the Bills of Exchange Act, 1882, provides that where a person is a **holder in due course** he holds the bill free from any defect of title of prior parties, and may enforce payment against all parties liable on the bill. A **holder in due course** is a holder who takes a bill complete and regular on the face, before it is overdue, in good faith and for value and without notice of any defect in the title of the person who negotiated it. The negotiability, however, may be destroyed by a restrictive endorsement, such as "Pay John Brown only."

An **I.O.U.** is a written acknowledgment of a debt, so called because it commences with those letters, which custom has substituted for the words—"I owe you," because they have the same sound. It ordinarily runs thus:—

To Mr. Henry Lender, I.O.U. Five Pounds,
John Borrower, 1st January, 1917.

If in the above form, it requires no stamp, being neither receipt, agreement, nor promissory note. If it contains a promise to pay the money it must be stamped as a promissory note, or, as an agreement, if the subject of which is of the value of £5. It is evidence of an *account stated* with the creditor, if named; if he is not named, it is a primâ facie evidence of an account stated with the person producing it. It is not negotiable.

TEST PAPER 17.

1. What business does a bank transact, and from whence is its income derived?
2. Of what do bank charges consist?
3. State the difference between a Deposit and a Current A/c.
4. Name the advantages of having a Commercial Banking A/c.

5. What is the preliminary step to opening a bank account?

6. Describe the use of the Pass Book.

7. What document is required to be used when paying money into a current account, and what must it show?

8. Of what does a Cheque Book consist? What is a Cheque, and what is meant by a Cheque payable to "Bearer" or to "Order"?

9. What is meant by endorsing a Cheque? When and how should Cheques be endorsed? State different kinds of endorsement.

10. What is meant by presenting a Cheque and within what period should one be presented? Why are Cheques returned?

11. What is the difference between a "General" and a "Special" Crossing, and what is the object of crossing?

12. What is meant when we say that a Cheque is negotiable?

13. If you received a "Crossed Cheque" and had no banking account of your own, how could you obtain the cash?

14. Draw a Cheque for £223 16s. 0d. in favour of John Holmes, so that it will be impossible for any other person to cash it.

15. What is meant by an "Open Cheque" and a "Marked Cheque"?

16. Describe the essentials in drawing a Cheque, and state what is meant by "ante-dating" and "post-dating." What record is kept by the drawer of a Cheque?

17. When must a banker refuse to cash a Cheque?

18. What is meant by a "Stale" Cheque?

19. Describe the three parties to a Cheque.

20. Explain the meaning and effect of "Not Negotiable."

21. Can a Cheque be crossed by anyone but the drawer, and what should the drawer do in case he crosses it by mistake?

22. Describe an I.O.U. Does it require a stamp?

23. (*a*) Write an order for the goods mentioned in invoice No. 5 page 110. (*b*) Prepare the Invoice. (*c*) Fill up Railway Consignment Note per L. & N. W. Ry. Co. carr. forward, and presume that the cloth is packed in one bale. (*d*) The day after the goods and invoice have been sent Silverwood & Co.'s Warehouseman discovered that the first piece of Black Serge measured 60 yds. and not 50. Prepare the necessary document to remedy this error. (*e*) Write a letter enclosing the last document and apologising for the error. (*f*) On receipt of the goods on the 30th Nov., T. Sykes finds that 18 yds. of the Black Vicuna is damaged. Write a letter to Silverwood & Co. complaining of this damage. (*g*) Write Silverwood & Co.'s reply to T. Sykes requesting that the 18 yards be returned and enclosing the document necessary to put the account right between the buyer and seller. (*h*) Prepare the document to be enclosed in the last letter. (*i*) Before T. Sykes purchased these goods he owed Silverwood & Co. a balance of £50. Prepare Statement dated 1st Jan., 1916, showing all the transactions between Silverwood & Co., and T. Sykes. (*j*) On the 3rd of January draw Cheque for balance owing. (*k*) Write enclosing Statement and Cheque on Remittance Form. (*l*) Receipt Statement and fill up Acknowledgment Form returning same.

BILLS of EXCHANGE.

Payments in coins, bank-notes, and cheques are not the only methods adopted in the commercial world for the transfer of money. **BILLS OF EXCHANGE** or **DRAFTS,** which are stamped promises to pay a sum of money on a given date, play an important part in the transactions of modern business. A Bill of Exchange is an instrument intended to enable a creditor who has funds in the hands of a debtor to **transfer** them, or part of them, to himself or to a third party. These documents are the means of expanding or contracting credit to meet the varying demands of trade and are usually employed (*a*) where it is inconvenient to make immediate or direct payment of cash; or (*b*) in order to observe the custom of some particular trade.

During the course of your business life you may wish to make a purchase of goods and to take advantage of the state of the market just at the time when you have not at your command sufficient cash for the purpose. Knowing full well, however, that a few months hence you will have ample cash, and not wishing to miss the chance of making a bargain, you propose to purchase from Merchant & Co., goods to the value of £200. You inform that firm of your inability to pay for the goods at once, but relying on your trustworthiness they invoice you the goods, and draw a three months' bill, which you accept, thereby promising to pay the £200 at the expiration of that period. The discount which Merchant & Co. might have allowed you for prompt cash payment is, of course, forfeited.

The chief **advantages** of a B/E. are:—(1) It is a convenient method for the **transfer of debts** and a perfect mechanism for the settling of credit transactions; the trouble, risk, and expense of transmitting coin or notes being avoided, as a bill is generally discharged through the medium of the banks. (2) It is a **legal acknowledgment,** and not a mere record of a debt, whereby the exact amount is stated and the exact time of payment is fixed, thus ensuring punctual payment from otherwise dilatory customers. (3) It is a **negotiable instrument** and **exchangeable for cash,** working capital being thereby increased. A creditor may have thousands of pounds of *book debts* and still be financially embarrassed; but if he can arrange for some of his debtors to discharge their indebtedness by B/E. he will then be able to gain financial relief by negotiating—cashing—some of the bills. Merchant & Co. could deal with your bill in three ways: (*a*) retain it until it became due; (*b*) transfer it by endorsement to a creditor; (*c*) discount it, *i.e.,* they could obtain the value of the bill before the expiration of the three months from a banker or bill broker, subject to the deduction of a small discount. (4) **Prompt legal recovery** in case of dishonour—non-payment. Should you fail to pay the amount when due, it would not be necessary for Merchant & Co. to commence an action against you for the *price of goods supplied,* but simply for payment of the amount, interest, and expenses of the dishonoured bill—the fulfilment of your promise to pay. If you raised any pleas as to non-delivery of the goods, short weight, inferior quality,

excessive price, &c., they would all be of little avail in the face of your written promise to pay the amount, which legal acknowledgment would be taken as almost conclusive evidence of your indebtedness. (5) It gives you, the debtor, **time** to convert the goods purchased into money, and thus enables you to provide the **cash** to discharge the B/E. when it becomes due.

A BILL OF EXCHANGE (**B/E.**) according to the Bills of Exchange Act, 1882 (45 and 46 Vict., chap. 61), "is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time a sum certain in money to or to the order of a specified person, or to bearer." An instrument which does not comply with these conditions, or which orders any act to be done in addition to the payment of money is not a B/E. A Bill payable on a marriage would be invalid, as the event may never happen; while one payable on death is valid. There are two kinds of bills:—**Inland** and **Foreign**; the former being those both drawn and payable in the British Islands, which include the Channel Islands and the Isle of Man.

EXAMPLE OF DRAFT.

No. 1. **£200.** *HUDDERSFIELD, 18th August,* 1907.

Impressed Stamp Two Shillings.

THREE MONTHS after date, pay to our order

TWO HUNDRED POUNDS, value received.

To Mr. Albert Pupil,
113 New Street, Leeds.

MERCHANT & CO.

It is usual for the Drawer to consult his own convenience as to how he shall direct the drawee to pay the money:—(1) at what time; (2) at what place; (3) to whom. For instance, the bill may be payable (1) at sight, six months after date or after sight; (2) in London, or at the Union Bank; (3) to the drawer, to a third party, or to bearer. In practice there are **five essentials** in **drafting** a bill, which is generally done by filling up either a blank *bill stamp* or a lithographed form already *impressed* with a stamp sufficient in value to cover the stamp duty payable thereon.

1. **The Date** should be so clearly written at the top right-hand corner of the draft that it cannot be easily altered, as the term or period of the bill generally commences to run from the date. A bill issued undated is not invalid, and any holder may insert the true date, or what he believes to be the true date, and the bill is then payable accordingly.

2. **The Term** (*Three months after date*), sometimes called the Currency of a bill, is the period intervening between the date upon which the bill is drawn, and that upon which the amount becomes due.

3. **The amount** (known as the **contents** of a bill) should be accurately stated at the top left-hand corner in figures, and in the body of the draft in words.

4. **The Parties** necessary to every bill number three, though sometimes the functions of two of these parties are performed by the same person.

(*a*) The **Drawer** is the party who draws, writes out or drafts the bill, which he signs at the foot, as "*Merchant & Co.*" The Drawer is supposed to be the Creditor of the Drawee.

(*b*) The **Drawee** is the person to whom the order or request for payment is addressed, as "*Albert Pupil.*"

(*c*) The **Payee** is the party to whom the money is to be paid. In the above example the Drawer and the Payee are the same—*Merchant & Co.* "Pay to us or our order" means to pay Merchant & Co. or any other person whom they may authorise by endorsement. Instead of the words "us or our order" they might have inserted "*Lee & Co., or Order,*" in which case the bill would have been payable to Lee & Co. and there would then have been three different parties concerned. A bill may be made payable to the holder of an office, thus:—"The Secretary, Halifax Chamber of Commerce"; or "The Treasurer, York Infirmary."

5. The **Stamp.** Before being drafted most bills require to be *impressed* with *ad valorem* stamp duty at the rate of 1/- for every £100, and also for any fractional part of £100 if the bill exceeds £100. When the amount:

Does not exceed	£10	the stamp required is	2d.		
Exceeds	£10	and does not exceed	£25	stamp	3d.
,,	£25	,, ,,	£50	,,	6d.
,,	£50	,, ,,	£75	,,	9d.
,,	£75	,, ,,	£100	,,	1s.0d.

Bills payable "*on demand,*" "*at sight,*" or within *three days after date or sight*, for whatever amount, require a *twopenny stamp,* either impressed or adhesive, but if the latter it must be cancelled by the drawer of the bill. A bill payable with interest does *not* affect the stamp, unless a special sum is named, though the interest be payable from a date antecedent to the date of the bill. Bills drawn in the Channel Islands and the Isle of Man are foreign bills so far as the Stamp Act is concerned. A foreign bill *negotiated* in the U.K., but drawn as well as payable *out* of the U.K., is only liable to an *ad valorem* stamp duty of 6d. for every £100. The penalty for issuing or negotiating unstamped bills is £10.

Unlike other contracts, the **consideration** for a B/E. is presumed till the contrary is made probable. Although it is superfluous it is nevertheless the custom to add to a bill the words "**value received.**" They are intended to imply that the bill has been given in exchange for a consideration, that is, actual or real value or benefit previously received in the form of goods, cash, or services.

PROCEDURE relating to transactions in **Bills.** In order to grasp fully dealings in bills you will find it instructive to follow the

procedure concerning a few simple transactions. On receipt of the cloth purchased from Merchant & Co., on the 2nd August, you would, of course, inspect its condition and generally compare the particulars on the invoice with the material itself. If any discrepancy occurred, as short lengths, excessive price, inferior quality or damaged pieces, you would at once communicate the fact to Merchant & Co. Assuming, however, that you had made no complaint about the cloth, all being in perfect order, you would in the course of a few days receive from Merchant & Co., a draft for £200 enclosed in a letter as follows :—

50 King Street,
Huddersfield, 18th August, 1907.

Albert Pupil, Esq.,
New Street, Leeds.

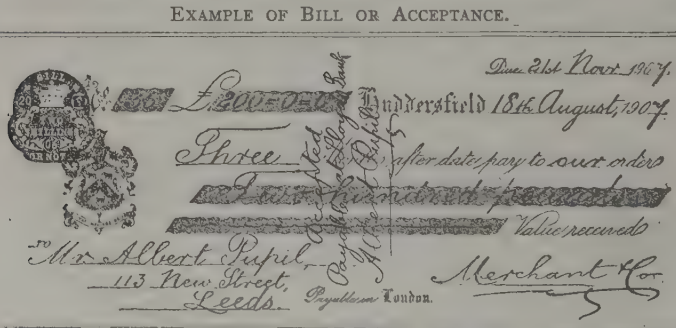
Dear Sir,

We beg to enclose a three months' draft on you for £200 which we will thank you to accept and return to us, made payable in London.

Yours faithfully,
MERCHANT & CO.

On receipt of the above you would refer to your Ledger to see that the amount was correct, and after carefully examining the draft would accept it, when it would appear as follows :—

EXAMPLE OF BILL OR ACCEPTANCE.



To **ACCEPT A BILL** is to signify your assent to the order of the Drawers—Merchant & Co., by writing your name across the face of the Bill, thereby engaging to pay the amount specified when due. Before accepting the bill you were merely the Drawee, but having now made yourself liable to pay the £200 in three months, by accepting the bill, your capacity is changed to that of **Acceptor.** The bill may now be termed an **Acceptance,** the simple meaning of which is "I will pay." An acceptance is not binding when given by any other person than the Drawee; thus, if a bill be drawn on Henry Brook, and be accepted by Henry Wild, the latter would not be liable on the bill. The Drawee is entitled to

retain the bill for 24 hours, but after that he must re-deliver it accepted or unaccepted. The Drawee may sign before the Drawer's signature is written, or he may sign a blank stamped form. Acceptances are divided into general and qualified. A **general** or **clean** acceptance assents, without qualification, to the order of the drawer. The naming of the place of payment without adding *and there only*, does not take it out of the general class. A **qualified** acceptance is one which, in express terms, varies the effect of the bill as drawn. The qualification may be conditional, partial, local, periodical, or the acceptance of one or more of the drawees, but not all, as :—

Accepted on condition of three months' renewal.
Accepted for £100 only.
Accepted at Brown's Bank, and there only.
Accepted payable in four months.

The holder of a bill may refuse to take a qualified acceptance, and may at once treat the bill as dishonoured by non-acceptance for want of a general acceptance. If he takes a qualified acceptance it will bind the acceptor and all subsequent parties, but it will not bind those who have already drawn or endorsed, unless they have authorised it or **assent** to it expressly or by implication, and they will consequently be discharged on the holder taking it. While the **signature** of the acceptor is alone *essential* in accepting a bill, it is nevertheless customary to preface the word *Accepted* and add the place of payment; which, if omitted, is taken to be the usual place of business of the acceptor. The place of payment is known as the **domicile,** and the above bill would be a "Domiciled Bill," because the place of payment is stated. After accepting the bill and making the entries in your books you would write a note or fill up a Remittance Form enclosing the acceptance to Merchant & Co.

DAYS OF GRACE. Now this bill would become due or **mature** on the 21st November, 1907, being three *calendar* months after its date, plus *three extra days* which are known as *days of grace.* According to an old custom, no B/E. except those payable on demand, or at sight, is really payable in the U.K. until **three days** after the expiration of the currency or term of the bill. These three days must be added to the term before you can arrive at its **due date.** Originally they were merely a matter of indulgence, grace, or favour, but they have now acquired legal force, and must be allowed, unless the bill otherwise provides as—"On the 2nd June *fixed* pay," or "Six months after date, *without grace,* pay."

MODE OF PAYMENT. A few days before the bill became due, or arrived at maturity, it would be necessary for you, the **payer,** to inform your banker, that the **payees,** Merchant & Co., would be **presenting** to your banker's London Agents :—*Lloyd's,* the bill for payment. You would advise him of this by means of an—

ADVICE SLIP, which is a formal note, containing particulars of bills, addressed to a banker, **advising** or requesting him to pay or honour the bills specified, and to debit the a/c. of the acceptor with the amount. Bills presented for payment are frequently dishonoured for want of advice, or, as it is sometimes termed, *No Orders.*

Acceptor.	Drawer.	Date.		Term.	Amount.		
Albert Pupil ..	*Merchant & Co.*	18	*Aug.*	*3 mos.*	200	-	-

To the West Riding Banking Co., Ltd.
Please advise Lloyd's Bank to honour the above acceptance, amount £200 0 0, and charge the same to account of
ALBERT PUPIL.

Leeds, 18th November, 1907.

On **PRESENTATION** of the above bill by Merchant & Co.'s bankers to *Lloyd's Bank,* the latter would pay the former the amount and take possession of the matured bill on your behalf. When a bill is thus disposed of it is said to be **honoured, redeemed, taken up, met, lifted;** all of which denote payment. The next time you had your Pass Book entered up at the Bank you would find that your a/c. had been debited with the £200, which had been paid to meet your acceptance.

PAYMENT OF BILLS. A bill is said to be discharged or extinguished when **duly paid** at maturity directly on presentation, which is called by business men a *payment in due course.* The discharge of a bill is effected either by the holder's receipt on the back thereof, or by simply cancelling it. The bill thus discharged is, in both cases, returned to the drawee or his banker. Every bill (except those on demand or at sight) *must* be **presented for payment** either to the acceptor, or to the bank where it is made payable, on the **last day** of grace. Failure to observe this would result in all the parties to the bill except the acceptor being discharged from their liability. When a bill is accepted on condition of the presentment at a particular place *and there only* or with words to the like effect, also where a Promissory Note is expressed in the body to be payable at a particular place, it *must* be presented even to charge the acceptor. Should the last day of grace fall on Sunday, Christmas Day, Good Friday, or a public fast or thanksgiving day, it is payable on the *preceding* business day; if on a Bank Holiday, then on the *succeeding* business day. If a bill is **lost** before it is overdue the drawer may be compelled to give a duplicate to the person who was the holder, upon his giving sufficient indemnity against the claims of any person who may become possessed of the lost bill. The loser should immediately give notice of the loss to the parties liable on the bill, and a public advertisement should also be made. The party who has lost the bill must, nevertheless, make application to the drawee for payment at the time it is due, and, if not paid, must give notice of dishonour as usual.

A PROMISSORY NOTE (P/N.) is an unconditional promise in writing, made by one person to another, signed by the maker, engaging to pay, on demand, or at a fixed or determinable future

time, a certain sum of money to a specified person or to bearer. A P/N. must always be made out on paper *impressed* or *embossed* with an *ad valorem* (according to value) stamp, whether drawn "on demand" or not. P/N. for less than £5 payable to *bearer on demand* are illegal in England and Wales, but they are legal in Scotland and Ireland.

£100. Hull. 10th August, 1907.

One month after date, I promise to pay to Albert Pupil, or order, the sum of One hundred pounds, value received.

Payable at Lloyds Bank, London. Alfred Brand

TEST PAPER 18.

1. What are the advantages of Bills of Exchange?
2. Define a Bill of Exchange and state what an Inland Bill is.
3. Name the essentials in drafting a Bill.
4. Name the parties to a Bill, and state their capacities.
5. What does "value received" mean? Are these words essential on a B/E.?
6. Explain what is meant by accepting a bill and define both kinds of acceptance.
7. What Stamp duties are payable in respect of B/E.?
8. What are "Days of Grace," and when are they *not* allowed?
9. How does the acceptor notify his bankers as to the payment of a B/E.?
10. What is meant by Presentation of a B/E., and when must it be made?
11. What is the practice with reference to a lost bill?
12. How does the holder of a B/E. generally obtain the cash?
13. Define a P/N. and state the Stamp duties payable thereon.
14. What stamp would be required on a B/E. for £125, and what on a cheque for the same amount?
15. (*a*) Draw in your name, a B/E. on your teacher for £50 1 6, dated to-day, six months after date, and indicate the stamp duty payable thereon. (*b*) Write a letter enclosing the B/E. for acceptance. (*c*) Accept the bill payable at the bank of Beckett & Co. (*d*) Write a letter returning the B/E. (*e*) State who is the holder and the date it would become due. (*f*) State what the holder and acceptor ought to do about three days before the maturity of the bill. (*g*) Where is the bill "domiciled"? (*h*) Make a P/N. so that it will have the same effect as the B/E. (*i*) Write a letter enclosing this P/N. (*j*) Reply acknowledging receipt.

BILLS of EXCHANGE.

NEGOTIATION OF BILLS. The **holder** of a bill may deal with it in three different ways. He may retain it until maturity; transfer it to one of his creditors; or discount it. When dealt with by either of the latter methods it is said to be **negotiated,** or put into "circulation," which is the act of freely assigning or transferring a bill, with or without endorsement, either under discount or otherwise, to another person. For instance, suppose you hold an Acceptance at one month by John Kerr for £100, and at the same time you are indebted to Joel Day, in the sum of £100 or more, you may transfer to Day, Kerr's bill in payment of your debt.

DISCOUNTING is a method frequently resorted to, particularly if the holder is urgently in need of cash. To **discount** a bill is to obtain money for a bill before it is due, interest being charged for the accommodation. For instance, John Kerr's bill could be **endorsed** either to your banker or to a bill discounter, who after being satisfied as to the solvency of Kerr, would pay you the £100, less one month's interest at 5%. The deduction of 8/4 although really interest is called Discount. It is the Banker's profit on the loan, and your loss for getting the money before it was due. Although you may *generally* regard a bill thus negotiated as finally disposed of, there does exist, however, on account of your endorsement, "a contingent liability" in respect thereof, until the same is paid by the acceptor.

THE RATE OF DISCOUNT varies according to the nature of the bill, being considerably higher if any suspicions are entertained of the punctuality or solvency of the parties subscribing the bill. The charge also varies according to the state of the money market, and is very much influenced by the Bank Rate.

DISHONOURED BILLS are those which either the drawees refuse to accept, or the acceptors fail to pay or meet when due. From the transaction "Terry's acceptance due this day returned dishonoured £75 6s. 8d., paid Notarial charges thereon 3s.4d." it would seem that Terry, on the maturity of this bill, was either unable or unwilling to fulfil his promise to pay you the above amount. Unless your banker has already done so, it would be your duty, immediately on the return of the bill, to place it in the hands of a **Notary Public** (N/P.) who is generally a solicitor, part of whose business it is to present dishonoured B/E. and note and protest their non-acceptance or non payment. **Noting a Bill** is the presenting of a non-accepted or dishonoured bill for acceptance or payment thereof, at the Bank where it is made payable, or to the acceptor himself, by the Notary Public *on the day of dishonour*, as an official **proof** of the **demand** having been duly made, and if it is not then accepted, or paid, he **notes** its non-acceptance, or non-payment, by writing upon a slip, which he attaches to the bill the reply he receives (such as *No Funds, Refer to Drawer, No Orders,* &c.) so that should the bill be a foreign one he may subsequently draw out a **protest,** which is a legal documentary declaration by a N/P.

The **measure of damages** on dishonour of a bill are :—(*a*) the amount of the bill; (*b*) interest from the time of presentment for payment if the bill is payable on demand, or from maturity in any other case; (*c*) expenses of noting, or (when protest is necessary and has been extended) of protest. In case of a bill dishonoured abroad, in lieu of the above damages (*a*) re-exchange; (*b*) interest thereon till payment.

NOTING TICKET.

J. NEWTON & SONS, Notaries,
10 *Birchin Lane, E.C.*

Noting 3/4.

NO ORDERS TO PAY.

BANKER'S TICKET.

	£	s.	d.
Bill	75	6	8
Noting		3	4
Postages			6
Interest			
	75	10	6
Commission		3	10
	75	14	4

Beckett & Co.

Terry's acceptance having been duly noted according to the requirements of the law, your next duty would be, if you had received the bill by endorsation, to give immediate **notice of dishonour** in writing to the drawer and to each endorser; as in the absence of such notice the drawer and endorser would be discharged from any liability respecting the bill. The object in giving such notice is to make them aware of the dishonour so that you may, if necessary, have **recourse**—that is, call upon either the drawers or any of the endorsers to pay the bill, together with the interest and expenses. Having received this bill from your debtor, John Allen, it would be absolutely necessary for your protection to send him notice of dishonour, similar to the one shown below. Although Terry's bill was dishonoured, Allen still owes you the amount, and you will therefore debit his a/c. with the amount of the bill, as well as with the **cost of noting.**

I hereby give you notice, that the Bill of Exchange dated 21st May last, drawn by you on William Terry, Halifax, for £75 6 8, payable one month after date to you or your order, and endorsed by you, has been duly presented for payment, but was dishonoured and is unpaid. Please remit me the amount, together with 7/8 the expenses incurred.

To **RENEW** a bill is to accept a new B/E. in place of a former one which the acceptor was unable to honour when due. Sometimes the acceptor of a bill finding himself unable to meet it on its maturity requests to be allowed to renew it. If the holder is satisfied as to the solvency of the acceptor he will comply with the request, on condition that the acceptor pays for the new bill stamp, and interest on the amount for the extended period.

RETIRING BILLS PAYABLE. If at any time you preferred to pay or **retire** one of your own acceptances before arriving at maturity, for the purpose of gaining **rebate,** (that is the interest of the unexpired term), it would be called *retiring under discount*.

REBATE ON BILLS DISCOUNTED is an item which often occurs among the liabilities in the B/S. of a Bank, and refers to *unmatured discounted bills on hand*. This Rebate is the *difference* between the present or **actual** value of the bills (the amount for which they might be re-discounted) and their face value. Having debited the "Bills Discounted A/c." with the face value of the bills, it is necessary for the banker to ascertain the actual value of those still current before preparing the B/S., otherwise the assets would be over-estimated; for a bill is worth its face value only when it matures. At the *closing* of the books each half-year, the *whole* of the discount on such unmatured bills has *not* been *earned* by the Bank; and the *portion unearned* must therefore be *carried forward* to the following half-year. For example, suppose that the Bank has discounted a 3 mos. bill for £1000, dated 29th Nov., 1915. On that date, at 5%, the profit, or discount thereon of £12 5 - would be *credited* to the Discount A/c. As this bill would not mature until 2nd Mar., 1916, only £4 1 8. being one-third of the discount, would have been *actually earned* during the period ending 31st Dec.; consequently the balance of £8 3 4, which is *earned* from 1st Jan. to 2nd Mar., 1916, must be *debited* to the Discount A/c. for 1915, and brought forward on 31st Dec. as a *liability*.

In **practical work** it is found necessary to keep two **BILL BOOKS**; one for recording B/R. and the other for B/P., although in some offices only one volume is used, B/R. being entered at one end and B/P. at the other end of the same book.

Liability and **Security.** The drawer of a bill, by drawing it, engages that on due presentation it shall be accepted and paid, that if it be dishonoured he will compensate the holder or any endorser who is compelled to pay it, provided that the requisite proceedings on dishonour be duly taken. By drawing a bill, the drawer gives an implied undertaking that upon presentment to the Drawee it shall be accepted. The acceptor of a bill is the person who is to be liable to the drawer, so long as it remains in the drawer's hands, and he (the acceptor) is *always* the person *primarily* liable to the holder; and when the drawer delivers the bill to the payee, or bearer, or by endorsement transfers the bill to another, the drawer in his turn becomes liable, as well as the acceptor, to the holder of the bill, and so does every subsequent endorser, the security thus increasing with each endorsement

To ENDORSE a Bill is to write one's name across the back of it, thereby engaging to compensate the holder or a subsequent

endorser, should it be dishonoured by the acceptor. By endorsing a bill, an endorser takes upon himself the responsibility of a new drawer. Endorsements are divided into two classes, "blank" or "general" and "special." A **blank** endorsement is one where the **endorser** (in order to transfer his interest in the bill) simply writes his name on the back of the bill without specifying the **endorsee.** An endorsement is **special** when the endorser transfers his interest in the bill to some special endorsee, say John Smith, as follows:

Pay John Smith, or order.
Pupil Bros.

The effect of this special endorsement is that the instrument is only payable to the order of John Smith, who must further endorse it on negotiation. **An Agent,** or any other person who endorses and does not want to become *personally* liable, should add to his name the words **sans recours,** or **without recourse to me,** by which means he will avoid the contingent liability to which he would otherwise be subject, if the acceptor failed to honour the bill. In addition to the endorsements consequent upon the ordinary negotiation of a bill it sometimes happens that the acceptance of a bill by a certain person is not considered sufficient. That person may not be regarded as reliable for payment of the amount, and the drawer insists on someone endorsing or **backing** the bill, which leads to a friend of the acceptor endorsing it, and thereby making himself liable for the amount in case of dishonour. Endorsers of a bill must therefore be always informed of dishonour, as all of them are, collectively and individually, liable for the amount. When the back of a bill is filled with endorsements, further signatures may be written on an **allonge,** which is a slip of paper of similar size and shape to a bill, pasted on the end thereof. The allonge must be attached to the bill before it is endorsed, otherwise it might become affixed to the wrong bill. The first endorser on the allonge should so write his name that it appears partly on the bill and partly on the allonge, in order that the allonge may not be detached and attached to another bill of higher amount. In **negotiating** a bill, although endorsement is generally required for the security of the transferee it is not always absolutely necessary. For instance, a bill or note payable to bearer is negotiated by delivery, as well as a bill or note payable to a person named, *after* he has endorsed it in blank, which endorsement makes it payable to bearer, and therefore also negotiable by mere delivery or transfer of possession. The person delivering the bill is called the **transferor,** and the person receiving it the **transferee.** Unlike an endorser, a mere transferor, does not, of course, incur any liability on the bill. A bill drawn in favour of *Tom Sykes only* would prohibit its transfer, and would therefore be **not negotiable,** that is, its value could not be transferred to another by delivery. The same remark applies to a bill with a **restrictive endorsement,** as *Pay John Smith only.*
Pupil Bros.

CASE OF NEED. The drawer of a bill being unable to know for certain whether the drawee will accept, or, having accepted, will pay, may insert the name of a person to whom the holder may, if he pleases, resort in case of non-acceptance or non-payment. This

person is called a *referee in case of need*. In other words a "case of need" is a statement occasionally put upon a bill of exchange by a drawer or one of the endorsers, naming a person who will guarantee its payment, and to whom the holder may have recourse in case of dishonour. The following is the usual form :—

In case of need apply to JOHN SMITH,
622 Moorgate Street, E.C.,
Pupil Bros.

The purport of this is, that if the bill is not paid at maturity, John Smith (who knows your firm to have a reputation for integrity and financial honour) will pay it for your honour. Pupil Bros. would, of course, communicate with John Smith and ask him (if necessary) to **protect their signature,** by accepting the draft, so that they might be saved the discredit of it being said that a draft of theirs had been dishonoured.

Acceptance and payment for HONOUR. When acceptance is refused, and a bill is protested for non-acceptance, or where a bill has been protested for better security and is not overdue, any person not being liable thereon may, with the consent of the holder, intervene and accept the bill *supra protest,* for the honour of any party thereto, or for the honour of the person for whose account the bill is drawn. If the acceptance does not state for whose honour it is made, it will be deemed to be for the honour of the drawer. An acceptor for honour is liable on the bill to the holder, and to all parties to the bill subsequent to the one for whose honour he has accepted. In the case of inland bills, it is only to the holder of a current bill dishonoured by non-acceptance, or accepted by a person who has since become insolvent that an acceptance *supra protest* is of any use; and the noting and the protest are of no use except to give validity to such an acceptance. The acceptor *supra protest* must personally appear before the Notary Public, with witnesses, and declare that he accepts such protested bill in honour of the drawer or endorser as the case may be, and that he will satisfy the same at the appointed time, and then he must subscribe the bill with his own hand. Where two or more offer to pay *supra protest,* that one is to be preferred whose payment will discharge the most parties, that is, that person who proposes to pay for the honour of the earliest party to the bill. If the holder refuses to receive payment *supra protest* he loses his rights against all parties who would have been discharged by such payment. The simplest course for a person who wishes to protect the credit of a party to a bill is to pay the holder and take the bill. It is only if the holder refuses to transfer it that payment for honour need be resorted to.

Accommodation Bills (sometimes called "kites" or "windmills") are bills drawn, accepted, or endorsed, though no consideration or value has been given for them. Such bills are usually made by two or more persons with a view to their being discounted for the temporary convenience and accommodation of one or more of the parties concerned, each of them agreeing to provide the acceptor, at, or previous to its due date, with funds to meet the bill.

The **holder** is the person in actual or constructive possession of the bill, and entitled at law to recover its contents from the parties thereto. If the holder takes a **composition** from the acceptor or maker, the other parties are discharged. Part payment, of course, has no such effect.

BANKER'S DRAFTS are Bills of Exchange drawn by one banker upon another, requesting the payment of a sum of money to the order of the person named, generally on demand. The second banker is usually the London Agent of the country banker. For persons having no banking a/c., who may have to make either an inland or a foreign remittance of more than £40, a Banker's Draft is the most convenient mode. The amount must be paid over the counter, together with the banker's commission. If you had a banking a/c., and ordered a Draft, the banker would debit your a/c. with the amount and commission. Such drafts do not need to be accepted like term bills, because the drawee pays you immediately the bill is presented. If you were going abroad and wished to avoid carrying a large amount of cash, you could lodge your money in the bank and take a Draft on your Banker's foreign Agent, who would give you cash for the draft on arrival at your destination, no charge being made for such a foreign draft. Some business men remit their creditors drafts in preference to cheques. A slip is filled up giving all the particulars of the drafts required, and then handed to the banker. He draws and signs the drafts, which you remit in due course. The chief advantage of these drafts is that the London agent of the country banker is informed of the amounts of the drafts, thus rendering any attempt at fraud or forgery impossible.

BANK POST BILLS (**B.P.B.**), which are not subject to days of grace, are unstamped promissory notes to order, payable at seven or sixty days after sight, issued by the Bank of England for any sum from £10 to £1000. Any person may obtain a post bill free of charge (the use of the money being accepted by the Bank as a sufficient remuneration), upon depositing with the bank or any of its branches, that sum for which the bill is required. These bills form an easy means of transmitting money from one part of the Kingdom to another.

BANK OF ENGLAND.

No. *M5855.* *£28 8 6,* without acceptance.

Seven days after date pay this Sola bill of Exchange to *Edwin Gay,* or order, *Twenty-eight pounds, eight shillings and sixpence,* for value received.

Leeds Branch, 4th May, 1917.

G. W. LIDDERDALE, Agent.

To the Cashiers of the Bank of England, London.

The chief **differences** between a **B/E.** and a **P/N.** are as follows: (1) A bill has three original parties—drawer, drawee, and payee; a note only two—maker and payee. (2) The drawer of a bill is liable only in a secondary degree; the drawer or maker of a note is the principal debtor. (3) A bill is an *order,* a note, a *promise* to pay. (4) Notes do not require presentment for acceptance, nor

can they be accepted for honour. (5) The acceptors of a bill can only be liable jointly; the makers of a note can be liable jointly and severally. (6) A bill may be accepted conditionally by the principal debtor, but a note cannot be made conditionally by the maker. (7) Notes are not made in sets, nor is a protest required in the case of a foreign note dishonoured here.

The chief **differences** between a **Cheque** and a **B/E.** are :—(1) Cheques are not accepted, hence the holder cannot sue the bank. (2) Cheques must be drawn on a banker, and payable on demand, and are generally, though not necessarily, inland. (3) The drawer is not discharged by the holder's failure to present in due time, unless the bank fails. (4) Notice of dishonour to the drawer is rarely legally necessary, as absence of effects, in the drawer's hands, the almost universal cause of dishonour, excuses it. (5) The duty and authority of the drawee of a cheque is determined by the drawer's countermand of payment or by notice of the drawer's death. (6) The banker is protected against forged or unauthorised endorsements of a draft on him to order on demand. (7) Cheques may be crossed, but the provisions of the B/E. Act, 1882, as to crossing, do not apply to B/E. other than cheques.

A **Bank Note** differs from an ordinary **P/N.** (1) In the manner and restrictions of its issue. (2) In its exemption from stamp duty. (3) In its effect as legal tender. (4) In that it may be re-issued after payment. (5) In that it forms part of the ordinary currency of the Kingdom. (6) In that the Statute of Limitations does not apply. (7) In that it cannot be issued for less than £5 in England and Wales, and £1 in Scotland and Ireland. (8) In that it is always payable to bearer without endorsement.

Bill drawn by one Company on another.

£500. *LEEDS,*
21st July, 1917.

Stamp Five Shillings

Three months after date pay to The Airedale Spinning Company Limited, Five Hundred Pounds, value received.

For the Airedale Spinning Company Limited, and by its authority.

James Paul,
Managing Director.

Accepted for John Sykes, Ltd. and by its authority, Henry Cooke, Alfred Day, } Directors.

To Messrs. John Sykes, Ltd.,
Market Street,
Bradford.

TEST PAPER 19.

1. What is meant by the negotiating of B/E.?
2. Explain the discounting of a B/E., and state what regulates the rate of discount.
3. What is meant by a dishonoured B/E. and how should it be dealt with particularly if it has been received from an endorser?

4. State measure of damages recoverable on a dishonoured B/E.

5. What is meant by (*a*) renewing (*b*) retiring a B/E.?

6. State the liability of the various parties to a B/E.

7. Describe the methods of endorsing a B/E. and explain the terms "backing" and "allonge."

8. What is meant by "referee in case of need?"

9. Explain acceptance and payment for honour.

10. What is an Accommodation Bill?

11. Define the holder of a B/E. and state the effect of accepting a composition from the acceptor or maker.

12. What is a Banker's Draft, and what are its advantages?

13. By what means may £100 be remitted without cost?

14. Name the chief differences between a B/E. and a P/N.

15. Name the chief differences between a Cheque and a B/E.

16. How does a Bank Note differ from an ordinary P/N.?

17. By what word would you designate a person:—(*a*) in the possession of a B/E.? (*b*) who signs his name across the front of a B/E.? (*c*) to whom a B/E. is addressed? (*d*) who drafts a B/E.? (*e*) who drafts a P/N.? (*f*) whose name appears in the body of a B/E.? (*g*) who negotiates a B/E. without endorsing it? (*h*) who negotiates a B/E. by endorsement? (*i*) who receives a B/E. endorsed in his favour?

18 (*a*) From the following particulars prepare your Invoice of 18 bales of leather sent to Thomas Lawrence, 16 High Street, Leicester, on the 2nd Feb., 1917, per M.R. Co.; carriage forward.

50 English Butts	(16 to 20)	900 lbs. at 2/-
50 do.	(21 to 24)	1150 lbs. at 2/3
50 do.	(25 to 28)	1350 lbs. at 2/4
144 Calf Skins	(20 to 30 doz.)	300 lbs. at 5/-

(*b*) Fill up a Railway Consignment Note. (*c*) On the 9th Feb. write Lawrence's letter that he is returning 12 of the Calf Skins which are badly cut and damaged. (*d*) Reply enclosing C/N. for £3 15 0, which prepare. (*e*) Draw B/E. at 3 m/d. for £418 2 6 upon T. Lawrence in favour of yourself, dated 27th Feb., 1917, indicate stamp, and due date. (*f*) Write Lawrence enclosing B/E., requesting him to accept it payable at Parr's Bank, London. (*g*) Reply returning B/E. accepted and accept same. (*h*) Reply acknowledging receipt of B/E. (*i*) Prepare Statement to be sent by you to Lawrence on 1st March, from the Ledger A/c. given below:

Dr. Thomas Lawrence, 16 High Street, Leicester. *Cr.*

1917				1917			
Jan. 1	To Balance ....b/f.	346 10 9		Jan. 2	By B/R.	200 - -	
,, 5	,, Goods.....	139 5 7		,, 11	,, Returns	17 6 -	
,, 18	,, Do.	218 2 6		,, 31	,, Cash	256 7 4	
,, 29	,, Do.	57 1 8		,, 31	,, Discount	12 3 -	
					,, *Balance* ....*c/d*	275 4 3	
		£761 - 6					£761 - 6
Feb. 1	To Balance ....b/d.	275 4 2		Feb. 2	By Cash	268 7 -	
,, 2	,, Goods.....	421 17 6		,, 2	,, Discount	6 17 2	
,, 18	,, Do.	78 1 10		,, 9	,, Returns	3 15 -	
,, 26	,, Do.	104 3 4		,, 27	,, B/R.	418 2 6	

FOREIGN BILLS.

Suppose you purchase goods from Henry Clay, Chicago, £204 5s. 6d., the question at once arises, how shall you pay or remit to Clay this amount? The expense, trouble, and risk attending the **transmission** of specie such a distance is too obvious to need comment. If you had an agent or a customer in Chicago the best method of settlement would be by **drawing** upon such agent **or** customer. On reference to your Ledger you find that you have a customer at Chicago—Neal Dow—who owes you £315. The best course for you to adopt then would be to draw a Bill of Exchange upon Neal Dow for £204 5 6 in favour of Henry Clay.

Via of Foreign Bill.

No. 6. **Exchange for $1000 52c.**

Huddersfield, 20th September, 1907.

Stamp Three Shillings.

Sixty days after sight, pay this First of Exchange (Second and Third of the same tenor and date not paid) to the order of Henry Clay, the sum of One Thousand Dollars and fifty-two cents., value received, and charge the same to my account.

To Neal Dow, Esq.,
10 Sixth Avenue, Chicago, U.S.A.

ALBERT PUPIL.

The **drafting** of foreign bills is somewhat different to that of inland bills. Instead of merely drawing one document you draft two or three, and these are called a **"Set of Bills."** The object of this is to obviate delays and avoid inconvenience in case of the loss or miscarriage of one of them. As you will see the only variation in the form of the three bills is the words *first*, *second* and *third*.

In the **First** via the words must be *Second and Third*.
„ **Second** „ „ *First and Third*.
„ **Third** „ „ *First and Second*.

Only that **via** (any one of a set of bills) of a foreign bill need be **stamped,** which is used or negotiated. In addition to the revenue stamp *impressed* in the country where it is drawn, it also requires the *adhesive* revenue stamp of the country where it is domiciled or made payable; therefore the above bill would require stamping on its arrival in the United States. On the receipt in this country, of a foreign bill it is the duty of the holder, first, to present it for acceptance, and, secondly, to affix thereto and cancel a proper adhesive bill stamp of sufficient amount; after which the bill may be negotiated. It is customary to state the **amount** of a foreign bill in the currency of the country where it is made payable. The rate of exchange on the day of the date the bill is used for stamp purposes, but the rate on the day the bill is payable for purposes of payment. The absence of a foreign stamp on a foreign bill does not affect the right of any person to sue in this country, provided the bill has been stamped according to English law.

PROCEDURE with **Foreign Bills.** As drawer of the above bill you would forward the *stamped copy* to H. Clay, and by a later mail a second copy, so that should the first have been lost by shipwreck, or have miscarried, the second would be available. You would retain the third copy until it was known whether either of the others had been received; if both were lost it would require stamping and forwarding, otherwise it would be of no use and might be destroyed, as might also the second if the first had reached its destination. By the same mail as you sent Clay his first bill, you would write to Neal Dow **advising** him of the fact, and requesting him to accept the bill when presented by Clay.

(Enclosing First of Exchange).

Henry Clay, Esq.
Dear Sir,

I beg to enclose the First of Exchange of my 60 D/st. Draft on Neal Dow, Esq., of your city, in your favour for $1000.52c., receipt of which please acknowledge.

Yours faithfully,
ALBERT PUPIL.

(Advising Draft).

Neal Dow, Esq.
Dear Sir,

I have now the pleasure to advise having drawn on your goodself in my Draft, No. 6, value $1000.52c., at 60 D/st., in favour of Henry Clay, Esq., of your city.

Craving your protection of my signature.

Yours faithfully,
ALBERT PUPIL.

AFTER SIGHT. The term of the above bill is *Sixty days after sight,* instead of after date. By the use of this phrase in foreign bills the inequalities arising from varying distance and means of communication are equalised. The term or period of the above bill, is calculated *not* from the *date* of the *drawing* of the bill, 20th September, but from the date when the bill is **sighted** or *seen* and accepted by the drawee, Neal Dow. Hence it is very important that Clay on receiving the bill should immediately take it to Dow for acceptance, and that Dow when accepting it, should note the date of acceptance, which would probably be as follows:

Accepted 30th September, 1917.
Payable at the National Bank, Chicago.
Due 2nd December,
Neal Dow.

Payment. When this bill arrived at **Maturity** Dow would pay the amount to Clay, Dow having debited your a/c. with the same on acceptance. You would thereby be saved the trouble and expense of remitting cash to Clay, he having been paid by your debtor.

EXCHANGE is a term applied to the remittances of money between different countries, by which sums in the money of one country are exchanged for sums of equivalent value in the money of another. In other words, the method adopted by a debtor for the payment of a debt due to a foreign creditor without the transmission of specie or coin. As a consequence of commerce there at all times exists a mutual indebtedness between countries having commercial intercourse with each other. For instance, while there are several persons in Paris indebted to others in London, there are also a number of persons in London debtors to Parisians. Therefore, in case you wished to remit to B., your creditor in Paris, £100, and you had no agent, banker or debtor in that city, a good method of settlement would be by **buying a bill** payable at Paris, and forwarding it to your creditor. The question now arises, where and how are you to buy this bill? If you wished to purchase corn, cattle, leather, wool, tea, etc., you would either attend the markets at which they were sold, or employ a factor, dealer or broker to purchase on your behalf. Foreign B/E. are to be bought in a similar way. There are **Bill Brokers** whose chief business it is to deal in B/E. Merchants communicate their wants for bills to these brokers, who also ascertain those merchants who have debtors abroad, and the brokers thus discover the side upon which the greater demand lies, for money or for bills. These brokers meet on market days, Tuesdays and Thursdays, at the Royal Exchange, London, and determine the course of the day or Rate of Exchange between one country and another. The Rate of Exchange or *Price List of Bills* is based upon the—

PAR of EXCHANGE, which means that sum in the currency of one country, which, in its *intrinsic or real value,* is equal to a specified sum in the currency of some other country. In other words, when money of the same standard and weight in one country, yields money of the same standard and weight in another, the exchange is then said to be at *par*. **Gold** and **Silver** when refined and coined into money, no matter by what country, become of about equal fineness or purity, so that the same weights are, for all commercial purposes, of equal value. Thus, according to the mint regulations of Great Britain and France, £1 sterling is equal in its intrinsic value to 25 francs, and 22 centimes of French money, and, therefore, the par of exchange between London and Paris is 25frs. 22c. If more than that sum is given us, say 25frs. 30c., the exchange is *below* par, and against Paris; if, on the other hand, £1 sterling should be accounted equal only to 25frs. 15c., the exchange is *above* par, being in favour of Paris and against London. It should be observed that when the exchange is favourable to a place, it is only so to the buyer and remitter of foreign bills; but unfavourable to the drawer and seller. Thus the interest of each party is identified with that of the place where his funds are; hence an unfavourable rate of exchange in any place operates as a premium for the exportation of goods, and is, so far, an advantage to that place. The variation of the rate of exchange is, however, limited to twice the cost of transmitting gold between two countries. These limits are known as :—

SPECIE or GOLD POINT, which is that point above or below the mint par of exchange at which it becomes more profitable to export or transmit bullion than to buy B/E. The cost of transmitting bullion varies from ½% to 2½%, according to distance, risks, and other circumstances, and hence it is only under exceptional conditions that the prices of B/E. rise above or fall below these limits. No merchant will ever pay a greater premium for a bill to discharge a foreign debt than would suffice to cover the expense of transmitting bullion. Gold points on the London Exchange :—

London on	*Mint Par.*	*Gold Exports.*	*Gold Imports.*
Paris .....Fcs.	25·22½	25·12½	25·32½
Berlin .....Mks.	20·43	20·33	20·52
Amsterdam ..Fl.	12·10	12·04	12·15
Copenhagen ..Kr.	18·16	18·07	18·23
New York ....$	4·867	4·827	4·89

The Rate of Exchange for each country is published in the daily papers on Wednesday and Friday in each week in the Price List of Bills, better known as the

COURSE of EXCHANGE, which means that **variable amount** in the currency of one country which at any given date, is offered for a **fixed sum** in the currency of another country. The rates of exchange are seldom at par, fluctuating daily according to the state of trade, the value of money, and other disturbing influences. The rate quoted, which is generally for drafts having three months to run, is affected principally and legitimately by the actual balance of trade between the two countries, and the consequent necessity or remittances to discharge the debts which have been contracted between them. But this effect will not be seriously felt if the general balance of trade is at the time in favour of the country having occasion to remit. If a greater amount of remittances is made to a particular place, for instance, Paris, than is received from it, the exchange will be above par ; if, on the other hand, a greater amount is received from Paris than is sent to it, the exchange will be below par.

BILL BUYING. Your question as to where and how to purchase a bill having been answered, you would then proceed, through the medium of your broker, to communicate with the money or exchange market, whereupon you would ascertain that C, of Paris, was indebted to D, of London, in the sum of £100. You would, therefore, buy for cash at the *current rate of exchange* from D, of London, a draft from him addressed to his debtor, C, of Paris, requesting the latter to pay the amount to *you or your order*. Having endorsed the bill in favour of your Creditor, F. Basile, thus :

Pay to the order of F. Basile,
Albert Pupil.

you would forward to your creditor, B, of Paris, who would **present** it to C, for **acceptance.**

In dealings with a foreign firm the Ledger a/c. will require two money columns on each side, in order to record the transactions in both currencies. When balancing it will be found that there will be a small difference arising from the fluctuations of Exchange between the two countries. This difference must either be transferred to the "Discount A/c." or to an **Exchange A/c.** the balance of the latter being carried to the P. and L. A/c. on making up the books.

VIA OF FOREIGN ACCEPTANCE.

No. 7.

Exchange for Fcs. 2520.

LONDON,
26th September, 1917.

Stamp One Shilling.

Thirty days after date (Second and Third of the paid), to the order of Two Thousand Five Hun- value received and charge out advice of

Accepted. Payable at the Bank of Paris, Chevreul & Co., Due 26th October.

pay this First of Exchange same tenor and date not Albert Pupil, the sum of dred and Twenty Francs, to account, with or with-

To Messrs. Chevreul & Co., Paris.

DANIEL & CO.

As there are **no days of grace** in France, the above bill would mature on the 26th October. The number of days of grace allowed in foreign countries varies. They are shown in the Table of Usance.

By the operation of this B/E. the convenience of all parties concerned is suited; the London creditor is paid by the London debtor; and the Paris creditor is paid by the Paris debtor; consequently the two debts are paid, and not a single coin passes between London and Paris. In this example *Daniel & Co.* are the **Drawers,** *Chevreul & Co.* are the **Acceptors,** *Albert Pupil* is the **Buyer** and **Endorser** of the bill, and *F. Basile* is the **Endorsee** of the bill and **receiver** of the money in Paris. Two persons here receive the money, Daniel & Co. and F. Basile, and two pay the money, Albert Pupil and Chevreul & Co.; which is just what must be done when two debtors and two creditors settle a/cs. It will thus be seen that the debtor in one country is substituted for the debtor in another, and that while B/E. are used for the payment of inland debts, they were originally intended for the discharge of foreign debts.

A **Protest of a Bill** is a document containing a solemn declaration made by a Notary Public that he has presented a foreign bill of exchange, either for acceptance or payment, that the answer quoted is the one he received, and that he formally protests against non-compliance with the demand. This document is engrossed on paper, impressed with a shilling stamp, *after* a bill has been *noted,* and it is drawn up for the holder's protection, so that *recourse* may be had upon the drawers or endorsers residing abroad. *Noting* is really the preliminary step to *protest*; while *protesting* is practically *extending* a *protest*. Extension of protest is essential in the case of foreign bills, since a notarial protest is regarded by the laws of most foreign nations as the only legal evidence of dishonour, and therefore necessary to enforce the holder's rights abroad.

Usance is the customary period allowed between different countries for drawing bills of exchange. When bills are drawn between different countries there is a given period for which it is customary or *usual* for the bill to be drawn. This usual term is called *usance* of bills. The extent of usance is principally controlled

by two considerations :—(**A**) The distance and facility of communication between the countries. (**B**) The quickness with which the goods can be sold. Double or treble usance is double or treble the usual time, and half usance is half the time.

At Sight is a term sometimes used upon bills of exchange when they are payable on demand. Such bills do not need to be accepted. In book-keeping they are treated as cheques. A **long bill** is one having a long term to run, as 6 or 9 months after date, or after sight; while a **short bill** is one payable on demand, at sight or having less than 10 days to run; also those bills received by bankers, for collection and which have nearly matured. **Short exchange** is the rate for cheques or drafts at sight, or payable within a day or two. There being no question of interest involved, the variations of the short exchanges above or below the mint Par is the measure of the monetary balance of trade, including therein the movement of floating capital. **Sole** or **sola** means only one bill as opposed to a "set"; **First** denotes the *first* of a "set"; a **Copy** is a facsimile or duplicate; and **Via** means any one of a "set of bills."

Arbitration of Exchange is involved when a merchant pays his debt in one foreign country by a B/E. upon another foreign country.

COUNCIL BILLS are Bills of Exchange on demand, drawn by the India Council in London (that is the Secretary of State for India) on the Government Treasuries of Calcutta, Madras and Bombay. The Government of India has to pay to the British Government each year, some £18,000,000 for interest on loans and for the maintenance of the military and civil forces in India. Although the revenues of India are collected at the three treasuries in silver, the amount due to us must be paid in gold. The readiest way of converting the silver into gold is by selling drafts for an equivalent amount of rupees payable in India. The Secretary of State for India is advised from Calcutta, Madras, and Bombay, that there is a certain amount available for remittance, and thereupon he advertises that he is prepared to receive tenders for so many lacs of remittances or rupees on India. On Wednesday, in each week the tenders are opened, and if at the proper rate, accepted. The purchasers of these drafts are generally the Indian Banks, who have remittances to make to their customers in India. Therefore an India Council draft is eqivalent to so much silver deposited in India. The purchaser of the draft pays gold to the British Government, while the Indian Treasury on presentment of the draft, pays silver to the holder, who is the creditor of the purchaser. Money may also be transferred by means of **Telegraphic Transfers (T/t's)** which enable a person in London to pay rupees to a house in Calcutta, on any *particular date,* on his paying an equivalent amount of gold to the Bank, calculated at the transfer rate of the day, when the Bank would cable to their Calcutta branch to pay the nominee the sum required. The following is the weekly report of 23rd June, 1906 :—

"The Indian Council on Wednesday offered for tender Rs. 4,000,000 in remittances on India. The tenders amounted to Rs. 35,960,000 at 1s. 3 31-32d. to 1s. 4 1-32d. The following statement gives the result of the sales from the beginning of the

current financial year :—

	Rs.		
April 1, 1905, to March 31, 1906.....	417,846,256	....	27,940,454
April 1, 1906, to June 13, 1906	39,036,879	....	2,604,610
Week ending June 20th, 1906.....	3,164,260	....	211,010
	42,201,139	....	2,815,620

Allotments since last Friday :—

	Rs.	
Wednesday	1,472,000 in bills on Calcutta....	At 1s. 4d. About 12%
,, ...	1,265,000 in bills on Bombay....	
,, ...	324,000 in bills on Madras	
,, ...	939,000 in transfers on Bombay	At 1s. 4 1-32d. About 12%
,, ...	30,000 in bills on Madras	At 1s. 4 1-32d.
Thursday	149,707 in bills on Calcutta....	

The amount to be offered next week will be Rs. 4,000,000"

A **DOCUMENTARY BILL** is a B/E. accompanied by various documents such as invoice, B/L., policy of insurance, and letters of hypothecation ; these latter documents being available to satisfy the amount of the bill in the event of its not being duly honoured at maturity. A **clean** B/E. is one in which there is no reference to documents.

£500. *LONDON, 22nd July, 1918.*

Stamp Five Shillings.

NINETY DAYS after sight, pay this FIRST of Exchange (Second and third unpaid) to our Order, the sum of Five Hundred Pounds sterling, value received against OD

100/5, = 6 *bales of Worsteds, per S.S. "City of Athens." Shipping Documents attached to be surrendered on payment.*

CHAS. MEE & CO.

To Messrs. OWEN & DEW,
SYDNEY.

£145 10s. 4d. *LONDON, 22nd July, 1918.*

Stamp Two Shillings.

SIXTY DAYS after sight, pay this FIRST of Exchange (Second and third unpaid) to our Order, the sum of One Hundred and Forty-five Pounds, Ten Shillings, and Four Pence, Sterling, payable at the National Bank of India's drawing rate for demand drafts on London, with interest at (6) *per cent. per annum, added thereto, from date hereof, to approximate due date of arrival of the remittance in London, value received against*

B J S

1000/4 = 5 *bales of Grey Dhooties, per S.S. "Victoria."*

To Messrs. BRUCE & SYKES,
CALCUTTA.

JONES & CO.

Endorsement :— Pay the National Bank of India, Limited, or order.
Jones & Co.

N.B.—The above draft would be discounted by Jones & Co. with the bankers who acted as English Agents for the National Bank of India. Attached to the draft as securities for the amount advanced, would be the following documents, viz. :—Invoice, Bills of Lading, Policy of Insurance, and Letter of Hypothecation. Presuming that Bruce & Sykes paid the above draft on 20th October, and that it was calculated the remittance would reach London on 16th November, the number of days in respect of which interest would be payable would be 117, the amount being £2 16 -. The total amount payable in Indian currency by Bruce & Sykes, if the exchange were at 1/1¾, would amount to Rs.2588 12a. 9p.

A **LETTER of CREDIT** (**L/C.**) is a communication addressed by bankers or merchants to their correspondent or agent, either at home or abroad, requesting him, upon the credit of the writers to advance the bearer a specific or an unlimited sum of money. A L/C. should always state the time for which it is to remain in force and indicate whether the payer is to draw upon the giver of the credit, debit him in account current, or take the payee's draft upon the giver of the credit, which draft is generally made to include the commission (if any). The giver of a L/C. should forward to his correspondents by post a Letter of Advice, giving full particulars of the credit issued; and to provide against the chance of the letter being lost and getting into wrong hands, he should attach to the Letter of Advice the signature of the party to whom the credit has been given, to serve as a means of his identification. Inland L/C. are exempt from stamp duty, but foreign L/C. are subject to the same duties as B/E.

L/C. are of two kinds—*Ordinary* and **Circular.** The latter is one addressed to several bankers or merchants residing at different places abroad, and enables the party to whom the credit is given to receive the whole of the money at any one of the cities named, or a part of it at either or all of them, as may be desired. The banker making any payment against a letter of credit should endorse or write upon it the amount he has paid, and all subsequent payers will do the same until the whole amount for which the credit is issued has been disbursed. Most L/C. are said to be "open" because there are *no conditions* specified, such as the deposit of Bills of Lading, &c. The chief differences between a L/C. and a B/E. are that the former is not an *order,* but a *request* for payment; that a L/C. needs no acceptance; is not negotiable; and cannot be protested for non-payment.

SPECIMEN OF ORDINARY L/C.

Dear Sir,

Mr. Peter Machin, a valued customer of ours, desires to have the facility of drawing upon us through your branch to the extent of £500. We shall therefore esteem it a favour if you will honour drafts drawn by him upon us for any sum or sums not exceeding £500 in the aggregate and debit us in account.

We enclose copy of Mr. Machin's signature on separate slip.

Gentlemen, (SPECIMEN OF CIRCULAR L/C.)

This Circular Letter of Credit will be presented to you by Mr. W. Tillotson, and we request you to hold at his disposal the sum of £1000, say One Thousand Pounds, and to pay him in such sums as he may require. Please to endorse hereon any advances made to him, and to draw upon us at sight, which we hereby agree to accept. This Credit is to continue in force until 31st December, 1917.

TEST PAPER 20.

1. In what respects does the drafting and stamping of a foreign bill differ from that of an inland bill?

2. What should be attended to immediately on the receipt of a foreign B/E.?

3. Why are foreign Bills of Exchange drawn in "sets," and why are they generally drawn at so many days' or months' "sight"?

4. What is the difference between a B/E. drawn on 1st March, 1917, at "60 days after sight"; and one drawn "60 days after date," supposing both bills to be accepted on the 30th March, 1917?

5. Explain the meaning of the term "exchange."

6. What is the business of bill brokers; and where do they principally meet?

7. Explain what is meant by "par of exchange" and "course of exchange."

8. When is it more profitable to transmit specie than bills of exchange?

9. When is a bill protested, and what is meant by this process?

10. Define "Usance," "at sight," "short exchange," "sola," "first," "copy," "via."

11. What are Council Bills and what is their object?

12. What is meant by a Documentary Draft?

13. For what purposes are Letters of Credit used?

14. You (the student) owe Cecil Rhodes, of Johannesburg, £5000. Sir Alfred Milner, of Cape Town, owes me (your teacher) £5000. (*a*) Prepare the necessary B/E. dated 4th November, 1917, at 3 m/s. so as to extinguish the indebtedness existing between the above parties without the transmission of specie to South Africa. Indicate the stamp on the bill. (*b*) Write a letter enclosing the B/E. (*c*) Write a letter advising the party upon whom the B/E. is drawn. (*d*) State the names of the drawer, the drawee, the payee, the acceptor, the buyer of the bill. (*e*) State what the receiver of the B/E. in South Africa should do immediately on its arrival. (*f*) Presuming the B/E. to be accepted on the 5th December, 1917, state the due date; by whom it must be presented on that date; and to whom. (*g*) To whom would you (the student), as debtor, pay the £5000, and to whom would Sir Alfred Milner pay the £5000, owing by him to me?

15. When a foreign bill or cheque arrives in this country how is the stamp duty payable?

16. "On Saturday the Lord Mayor of London transmitted by telegraph to the Governor of Bombay £50,000 of the Indian Famine Fund." Explain how this was done, and say how many rupees would be realised at 1/3¼ exchange.

INSURANCE.

Though largely based upon self-interest and family protection, insurance is the most enlightened and secure form which these projects of self-interest ever took. It is, practically speaking, the agreement of a community to consider the goods of individuals as common: an agreement that those whose fortune it may be to have more than average success shall resign the overplus in favour of those who have less, or who may be less fortunate in life. There is no limit to the extensions which its application might receive, if the public were fully aware of the safety with which they may be put into practice, provided the insurance office selected be financially sound and honourably conducted.

Whether we wish to guard against premature death, fire, theft or burglary, ships against wreckages, ourselves against sickness, accident or old age, or our relatives and friends against loss by our early demise, it is an indisputable fact that some form of insurance is a necessity, and is one of the strongest safeguards against material misfortune in respect of loss of capital. There is scarcely a contingency to which a monetary interest attaches that cannot nowadays be provided for by insurance. It is, of course, impossible in this outline to do more than mention the principal risks covered, but insurance companies are ever ready to supply **Prospectuses** giving information relative to the classes of insurance which they undertake, and the rates applicable thereto.

Insurance is a **contract** by which a person, company, or society, in consideration of a gross sum or of a periodical payment, undertakes to pay a larger sum on the happening of a particular event: a contract entered into to provide against, or to *make sure,* against possible loss by fire, storm, accident, etc., or an undertaking to pay a sum of money on the death of a person, or on his attaining a given age, in consideration of a specified amount (called the premium) being paid to the *insurer* by the *insured,* either periodically or at the outset.

The **consideration** is termed the **premium** or premiums; the party entering into the undertaking, the **assurer** or **insurer**; the party for whose benefit it is entered into, the **assured** or **insured**; happening of the event, the **risk**; and the instrument containing the contract, the **policy,** which is a stamped document given by the insurance company, to a person who has paid the premium, as a guarantee that it takes the risk; in which deed the terms and conditions of the contract are set out in full. The interest which it is necessary for a person to have before he can effect an available insurance on his own account, and for his own benefit, is called an **insurable interest.** To render a Life Assurance contract binding there should be a bonâ fide "insurable interest" on the part of the person or persons to whom a Policy may be granted in respect of the life or lives assured, *i.e.,* evidence of pecuniary loss that may be sustained in case of death. For instance, a parent has usually no insurable or pecuniary interest in the life of his or her child, though assurances on the lives of comparatively young children are oftentimes granted for their own prospective benefit. The Law requires the strictest good faith on the part of everyone who

effects an insurance of any kind, so that the contract will be void if the insured has been guilty of **fraud,** or misrepresentation of any material circumstance, or concealment of any material fact, which lies within his private knowledge.

Every office, no matter of what financial strength, has a series of **limits** beyond which it will not retain liability upon any **one risk.** The limits vary in the same office, according to the nature of the business, and in different companies with the position and importance of the company. It is the rule to retain a larger sum upon first-class or non-hazardous risks than upon hazardous; and of extra hazardous business an office will generally **re-insure** or **re-assure** as much as possible. Suppose the fixed **limit** of **risk** of a given office is £10,000 and a proposal is received for £100,000. If the business is of a character with which the office can easily deal, it is accepted, and the surplus, *i.e.,* the *difference* between the *office limit* and the total amount of the policy or risk, is insured by the company accepting the proposal, *with other offices,* at the ordinary rate, less a liberal "trade" commission. This giving off of surplus risks is what is known as re-insuring or re-assuring, and the insurances so effected are termed *re-insurances* or *re-assurances.*

LIFE INSURANCE Companies are either Proprietary or Mutual. A **Proprietary office** has a paid-up capital, upon which dividends are payable, a *part* only of the profits of the business being available for distribution among the policy-holders. A **Mutual Office,** on the other hand, has no paid-up capital, the whole of the profits of the business being distributable among the policy-holders. A few life offices divide their business into **two sections—General** and **Temperance;** the members of the latter section consisting entirely of abstainers from alcoholic liquors. The same premiums are charged to both classes of members, but the accounts of the two sections are kept quite distinct. By reason of the lower death-rate among members of the Temperance Section, the profits distributable, in the form of bonus, are greater than those in the General Section. Life Insurance is generally the best and most effective form of providence. It is a **cheaper** and **quicker** way of **creating** an **estate** than ordinary saving, and is the only way of making a certain and immediate provision for those dependent upon oneself. Insurances should be effected (1) By husbands and fathers to make provision for themselves, widows and children. (2) By the young of both sexes; because the sooner an insurance is begun the lower will be the premium and the greater the accumulated profits. (3) By the old; because life is then more precarious, and the benefits the more required. (4) By the possessors of entailed estates, to provide for the younger branches of their families. (5) In marriage contracts, to secure the terms of the settlement. (6) By lenders and creditors, to compensate the loss which the death of their debtors might occasion. (7) By borrowers and debtors, to ensure, in case of death, a fund to pay their debts. (8) By holders of leases dependent upon a life or lives, to provide a fund to meet the fine, increase of rent, or loss of capital which may ensue. (9) By

expectants of property in reversion, to insure it against contingency. (10) By purchasers of annuities on the lives of others to secure the capital laid out. (11) To provide for the payment of Estate Duty, so that the real and personal estate may be left untouched. (12) By **partners,** to provide against loss in case of a partner's death. This is very important, as the withdrawal of capital by the representatives of a deceased partner might cause serious embarrassment and even the ruin of a profitable business. A partnership insurance is in the nature of a joint insurance, or an insurance of joint lives. Upon the death of any one of the insured the sum insured is payable to the co-insured. As the premiums are paid for the benefit of all, they are generally charged to the business as part of its expenses, and the sum insured is devoted to pay out the capital of the deceased partner.

To those whose **income exceeds £130** a year there is a special inducement to insure in the fact that they are entitled to an **abatement** of **income tax** in respect of the premium paid, but not exceeding one-sixth of their income. Thus, a person with an annual income of £140, paying a premium of £20 in respect of a life or an accident insurance on either the life of himself or his wife, would be exempt from income tax.

The probable **duration of life** chiefly depends upon parental influences, occupation and habits. **Mortality Tables** have been prepared, from the Returns of Deaths published by the Registrar General, by experts known as Actuaries, showing how long a healthy person, at a given age, may be expected to live. Upon these Tables of the *average* duration of life, the insurance companies have based their calculations as to the premiums to be charged, in order to produce ample funds for the payment of claims and generally provide for the profitable management of their business.

Life Insurance is a **contract** by which the **insurer,** in consideration of a gross sum or an annual payment, agrees to pay the person for whose benefit the insurance is effected, or his representatives, a certain sum of money or annuity on the death of the person whose life is insured, whenever it happens, if the insurance is for the whole life, or in the event of the death happening within a certain period, if the insurance is only for that period. A person may effect an insurance upon his own life or on the life of another in which he has a pecuniary interest; but no insurance may be effected on a life which the person for whose benefit or on whose account such insurance is made has no pecuniary interest, or by way of gaming or wagering. A wife has an **insurable interest** in the life of her husband, and a husband in his wife, but a parent or child has **no such interest** in the life of his child or parent, unless he has an interest in property dependent up the life of his child or parent. A husband may effect a policy of insurance on his own life, and expressed to be for the benefit of his wife or children, or any of them, and a wife may insure her life for the benefit of her husband or children, or any of them. A **trustee** may insure in respect of his trust, and for the benefit of his trust estate, and a **creditor** may insure the life of his debtor to the extent of the debt. If for greater security anyone thinks fit to insure with different

insurers by different contracts, and to pay the premium on each policy, he is at liberty to do so; but he can *only recover* in the whole *the amount of his insurable interest*; and if he has received the whole of the amount from one insurer, he is precluded from recovering any more from the others.

It is usual for the person whose life is insured to be medically examined and to fill up a **Proposal Form** and sign a **declaration** concerning his age, health, antecedents, and other circumstances, which is generally, either expressly or by reference, embodied in the policy, the correctness of which declaration is an essential condition to the responsibility of the insurers. Fraud, misrepresentation, or non-communication of material circumstances by the insured or his agent when the policy is effected, renders it void.

The premium payable on acceptance of the proposal is known as the **First Premium,** subsequent payments being known as **Renewal Premiums.** In case of the **non-payment** of the **premium** in the stipulated manner, the policy will be void, and will not be revived by a subsequent receipt of the premium. Nor will it be an available excuse that the assured received no notice reminding him of the day for paying the premium; for such **Renewal Notice,** as it is termed, though customary, is not required by Law. Thirty or more days are allowed for payment of a Life Premium. In the event of a member dying during these **days of grace,** the policy is valid, but the premium will be deducted on the settlement of the claim.

Whole life insurance is the simplest form, providing a sum at the death of an individual. If the risk is limited to a certain number of years it is called a **term insurance,** the most useful form for the financial protection of a creditor against the death of his debtor. Whole life insurance may be paid by a single premium, or by annual premiums, limited to a certain number of payments, or throughout life, and policies may be effected with or without profits. "With-profit" policies receive a bonus from the profits of the company, which are in most offices allotted at the policy-holder's option either (*a*) in cash, (*b*) as an immediate addition to the sum insured, (*c*) as a deferred addition to the sum insured, (*d*) in reduction of future premiums, (*e*) to make the policy payable earlier than originally arranged.

Endowment insurance is deservedly popular, combining a term insurance with the element of investment. It provides a payment at death if occurring before a given age, and a similar or increased payment on that age being attained. These policies, if on the "With-profit" plan, would return from 2½% to 3% compound interest on the premiums paid. Endowment insurances can be so arranged that if, after the lapse of three or more years, the policy-holder should prefer to discontinue the payment of premiums, a proportionate part of the sum insured, based upon the number of annual premiums paid, can still remain in force on the conditions of the original insurance. If, for example, the interval between the age of admission and the deferred age be 21 years, and 3 years' premiums have been paid on a policy for £700, the **free policy** granted in substitution would be $\frac{3}{21}$ or $\frac{1}{7}$ of the original amount, £100.

A life policy becomes a **marketable security** after the payment of seven premiums, carrying substantial loan and surrender values. The **Surrender Value** of a policy is that amount of money which the insurance company is willing to give to the insured if the latter surrenders or abandons his policy, and extinguishes his claim upon them. The older a policy is, or the greater the number of premiums paid upon it, the higher is the surrender value. In practice, it is generally found that the *market value* of a life policy is from 15% to 20% greater than the surrender value. Some people are under a curious misapprehension as to the amount of money they may justly expect to have returned to them if they decide to abandon their policies and to take surrender values. It should be remembered that the surrender value of a life policy is the balance remaining of the premiums received, and the interest thereon, *after deduction* of the cost of the risk of the insured dying, and his share of the expenses of management during the currency of the policy.

When a policy-holder, of three or more years standing, is in need of ready money he can always obtain a **Loan** on the security of his policy from the insurance company at from 4% to 5%, according to the amount to be advanced, there being no charge beyond the interest and the payment of the stamp duty on the promissory note securing the repayment of the loan.

Money may also be **borrowed** from private individuals on the security of a life policy, or the policy may be **sold** absolutely, in both of which cases it is necessary that the document embodying the contract as to the loan or sale, which is called an **Assignment,** should be properly stamped and a written **Notice** thereof (in duplicate) sent to the Head Office of the Company for registration, together with the statutory fee of 5/-. Business men sometimes deposit their life policies with their bankers to secure overdrafts.

On the **death** of a policy-holder his legal personal representative should make the necessary **claim** for the payment of the amount insured, plus profits, by forwarding to the company either the Probate of the Will of the deceased, or Letters of Administration in case he died without a will; and where the policy has been assigned, the Assignment must be forwarded by the assignee. On the **maturity** of an **Endowment Policy** the claim for the payment of the amount due thereon must be made either by the insured himself, or if he has assigned the policy, then by the assignee.

FIRE INSURANCE. An insurance against fire is one by which the **insurer,** in consideration of a payment in gross or at stated intervals, agrees to indemnify the **insured** for a certain time against damage to his property by fire. The insured must have some kind of **insurable interest** in the property or be accountable for its safety; and he can only recover to the extent of that interest. No one can make a legal insurance of another man's goods or property, in which he has neither a legal nor an equitable interest, for if he could he would be making a profit when he could have sustained no loss. A warehouseman, wharfinger, common carrier or bailee of goods may keep up a Floating Policy for the insurance of the goods of his customers, but the money will belong to them, and may be recovered from him, when

received by him. An **insurable interest** has been defined as "being placed in such circumstances with respect to the thing insured as to have benefit from its existence, prejudice from its loss."

For the protection of common interests and uniformity of practice, the principal fire insurance companies are united into a body termed the Fire Offices' Committee, which fixes minimum rates for certain descriptions of risks of the more dangerous kind, with an agreement that no Company represented on the Committee shall entertain these risks upon lower terms. The rates thus fixed are generally known as **Tariff Rates,** and the offices thus included as **Tariff Offices.** Those companies which are not associated with the Fire Offices' Committee are known as *Non-Tariff Offices,* and are frequently willing to accept a risk at a lower rate than the Tariff Rate.

Risks are usually divided into three classes:—1st, common insurance; 2nd, hazardous; 3rd, doubly-hazardous; but there are also extraordinary risks, which are the subject of special agreement. The **rates** for Fire Insurance are regulated by the losses, and the more frequent the latter become, the larger must be the amount paid by the public in the shape of premiums. The rate of premium usually charged on common risks is 1/6 per cent., hazardous, 2/6 per cent., and doubly-hazardous, 4/6 per cent. Special risks are insured on the most favourable terms and a company will always send its surveyor to inspect risks when necessary, free of expense to the proposer. By reason of the diminution of risk, lower rates of premiums may always be obtained where sprinklers or other fire-extinguishing systems or appliances have been installed.

In submitting an application to a company the completest good faith and the **disclosure** of all **material facts** must be observed, together with exact replies to the several enquiries in the **Proposal Form,** the answers to which will constitute the basis of the whole contract. The property must be accurately described in order to place the company in a position to enter into the contract with a full knowledge of the risk involved. If the insured **alters** the **premises** in such a way as to **increase** the **risk,** he thereby forfeits the policy; or if the property insured is removed from its specified location the insurance is void, unless the increased risk or removal is allowed by the company and noted by endorsement on the policy.

There are numerous articles which the ordinary policy does not cover unless specially mentioned, and great care should therefore be taken to see that everything which it is intended to be included should be mentioned at the time of the proposal. The following are never included unless specially mentioned:—China, glass, mirrors, plate-glass, jewels, watches, medals, curiosities, manuscripts, government stamps, engravings, prints, paintings, drawings, sculptures, tapestries, musical and philosophical instruments, plans, engraved plates, stereos, type, blocks, patterns, models, moulds and designs, deeds, bonds, bills of exchange, promissory notes, money, or securities for money, documents of title, books of account, and gunpowder, also assistants' or workmen's effects.

The **proposer,** when the risk is not particularly hazardous, may obtain provisional protection from the company, and pay a deposit

for which he will receive a **Cover Note**, which is an acknowledgment covering the property for a definite period, until the proposal has been formally and finally accepted or declined. Within the specified period the company would institute its enquiries, and, if deemed necessary, inspect the premises; and should a fire occur prior to the expiration of that term, the company, unless it had previously rejected the risk, would be responsible, assuming, of course, that no fraud had been committed or material circumstances concealed. This Covering Note or Receipt is not in itself a policy, but simply a contract to issue one under the usual conditions if the proposal is entertained. Fifteen **days of grace** are allowed for the payment of Fire Premiums, which are generally payable on one of the **quarter days.**

A **Fire Policy,** which must bear a penny stamp, either impressed or adhesive, may be described as a contract of indemnity, for the restoration to the insured of the value of the loss he may sustain within the limit expressed in the policy, so that he may not realise any profit by the occurrence of the fire. The sum specified in the contract does *not furnish the measure*, but simply the **limit** of the amount which the insured is entitled to recover. There are **three** kinds of Insurance **Policies:**—General, Average, and Valued. The **General** or **Specific** form of Policy is that in which the actual loss sustained is paid, not exceeding the amount insured, irrespective of the property on the risk; subject, of course, to the insured duly proving his loss. The **Floating Policy** of a merchant who has goods in various places, as well as of a warehouseman or carrier, covering goods belonging to others is, of course, a General Policy

The **Average Policy** contains the addition of the **average clause,** this stipulation changing the whole nature of the insurance, the liability of the company being the same proportion of the loss, as the amount of the insurance bears to the value of the property at the time of the fire. For instance, suppose a **stock** worth **£2000** at the outbreak of the fire is insured under an Average Policy of **£1000,** and is **damaged** to the extent of **£500;** the amount payable by the company, instead of being £500, as would be the case with a General or Specific Policy, would **only be £250,** because the policy *being in respect of half the total value of the stock,* the company are **only liable** to pay half the loss. Of course, had the fire resulted in the destruction of the *whole* of the stock, then the assured would have been entitled to the total amount named in the policy—£1000. The object of the Average Clause is to compel insurers to insure fully.

A **Valued Policy** is one in which the property is agreed at a certain value, so as to relieve the insured of the necessity of proof of value. To be enforceable it must be in clear terms. This form of policy is useful in the case of valuable furniture, pictures, books, specimens, collections, and art treasures.

To deter persons from setting their own premises on fire in order to obtain the sum for which they are insured, the company may, at the request of any person interested in a building burnt down, or damaged, or upon any suspicion of fraud, cause the insurance

money to be expended in repairs unless the party insured, within sixty days after adjustment of the claim, gives security that the money shall be expended or the money at that time is disposed of, to the satisfaction of all parties.

A Fire Policy, being a contract of indemnity, if a person receives, under an insurance, a full compensation for his loss by fire, and afterwards recovers damages in an action against the person who caused the mischief, he is bound to **hand over** the **damages** to the **insurer,** who, in such case is the party really damnified. On the other hand, if he proceeds in the first instance against the wrong-doer, and recovers full compensation from him, he cannot then sue on the policy. If the insurer pays the compensation he may sue the wrong-doer in the name of the insured. If a person has insured property and **contracted** to **sell** it, and a fire occurs, the **purchaser cannot claim** the benefit of the insurance; nor, as it is a contract of indemnity, can the vendor recover from the insurance company. Immediately a purchaser takes possession of insured property he should pay the vendor the proportion of the unexpired premium and request the insurance company either to issue a new policy, in his own name, in respect of the unexpired period, or endorse the old policy so as to transfer the insurance to himself.

Claim. It is generally stipulated by the policy that, when a fire takes place, notice shall be given to the company within a specified time, accompanied by full particulars of the goods or property destroyed and an estimate of their value. This claim is a necessary condition to the taking of proceedings to recover the amount of the loss sustained. If the parties cannot agree, the policy usually provides that the dispute shall be referred to **arbitration.** The insurance companies do not usually employ one of their permanent officials to deal with losses, but engage a firm of surveyors or valuers, known as **assessors,** whose special business is the assessing of fire claims on behalf of the companies, and whose duty it is to receive the claim and conduct all the correspondence and negotiations and to make all such enquiries arising out of the matter as may appear to them to be necessary. If there is *more than one policy* in existence on behalf of the assured on the same property, the company will only be **liable** for its **rateable proportion** of the loss. Suppose stock is insured for **£5000,** that is, **£2500 each** in two different offices, and the damage suffered is **£2500,** the legal claim against **each** company would be for **£1250;** and the assured could only compel each company to pay its proportionate amount of the loss, and could *not* recover the whole amount from one company.

EMPLOYERS' LIABILITY INSURANCE. By the **Common Law** a master is bound to take reasonable precautions to secure the safety of his servant, and is liable for any injury sustained by such servant when the injury has been brought about by the *personal* failure of the master in his duty. **The Employers' Liability Act, 1880,** considerably reduces the effect of the doctrine of common employment. It provides that a workman, or, in case of his being killed, his representatives, shall have the same right of compensation and remedies against the employer as if the workman had not been a workman of, nor in the service of the

employer, nor engaged in his work. All employers of labour are thus liable under this Act to pay heavy damages for injuries caused by the negligence of any person in the service of the employer entrusted with the superintendence of the workmen, or by reason of any defect in the condition of the ways, works, machinery or plant connected with, or used in, the business of the employer. The liability under this Act is not limited to the payment of wages during incapacity, but the sum awarded must not exceed three years' earnings of the injured person. **The Workmen's Compensation Act, 1906,** repealed the two previous Acts of 1897 and 1900, and brought at least six million more workers within the statutory privileges. Its benefits extend to nearly every kind of employment, the word "workman" including everybody under a contract of service by another, with the exception of persons earning more than £250 per annum, unless they are engaged in manual labour. Under this Act every employer is liable to compensate his employees for injuries arising out of and in the course of their employment, although such injury may be the direct result of carelessness on the part of the injured person, or even disobedience to orders. Compensation not exceeding £1 per week, is payable from the date of the accident where incapacity lasts at least two weeks; in all other cases there is none for the first week. This may involve the payment of an annuity for life, and in the event of the injury causing death, a sum not exceeding £300 may be payable at once.

The possibility of being suddenly called upon to compensate several workmen on the scale provided is one that no employer would care to permanently incur. The payment of death claims might prove financially inconvenient, and it is by no means unlikely that in the event of the accident happening in the works of an employer known to be uninsured, his credit might be seriously impaired just at a time when he needed it most, for his creditors would be well aware that the claims of a workman constituted a first charge upon the assets of an employer. So again in case of permanent disablement the profits of a business for many years to come would be appreciably decreased by the payment of several annuities of £52 each. So great is the liability incurred that every prudent employer must necessarily protect himself by insurance. The **rates** of premium are assessed as a **percentage** on the annual **earnings paid,** the **risk** being principally affected by the **class** of **occupation.** The following are some of the **rates charged:**—Grocers, 4/- per cent.; Butchers and Publicans, 20/- per cent.; Teachers, 7/6 per cent.; Clerks, 3/- per cent.; Commercial Travellers, 12/6 per cent.; Milliners, 7/6 per cent.; Hosiery Manufacturers, 5/- per cent.; Nail Makers, 15/- per cent.; Brass Workers and Finishers, 30/- per cent.; Bookbinders, 10/6 per cent.; Dental Surgeons and Sculptors, 10/- per cent.; Bleachers, Dyers and Finishers, 17/6 per cent.; Confectioners, 10/- per cent.; Engineers, Gasfitters and Plumbers, 30/- per cent.; Joiners and Builders, 30/ per cent. An insurance may be effected in respect of a Domestic Servant, for claims under the statutes and at common law, for a premium of 5/- per ann.; and for a further premium of 2/6 per ann. the same policy will cover the claims of a *casual* servant. The following are examples of

fixed annual premiums, regardless of what wages are paid :— Gardeners, 5/-; Grooms, Coachmen, and Stable hands, 7/6; Gamekeepers, 10/-; Huntsmen and Whips, 20/-; Chauffeurs and Motor Car Attendants, 20/-.

MISCELLANEOUS INSURANCES. Fidelity Guarantee Insurance protects employers against any violation of trust and pecuniary loss on the part of the managers, clerks, travellers, or collectors. An insurance effected with a public company is much more satisfactory than the old and inconvenient system of Suretyship by individuals, which sometimes resulted in the latter being financially ruined by the defaults of those for whom they had become surety. The insurance company having ascertained, by enquiry of previous employers and private referees, that the past history and character of the applicant for a guarantee are satisfactory, complete an agreement with the employer to reimburse any loss from any faults which may be committed by the official during the currency of the policy. The insurance may assume the form of (1) a **Collective Policy,** where a particular sum is placed against the name of each member of the staff, or (2) a **Floating Policy,** which secures the employer against any loss, to the limit of the insurance, in any one year, whether the defalcations may be committed by *any one* of the members of the staff, or by *any number* of them. The alterations required in the policy, in consequence of additions to the staff, or substitutions in the body of officials, may be effected by means of an endorsement.

Among various other subjects of insurance the following may also be mentioned :—Accident to third parties; Bad Debts; Boiler Insurance; Burglary and Larceny; Capital redemption; Carriages and Vehicles; Cyclists and Motorists; Farming risks; Keys and Season Tickets; Licensed Properties; Lost Documents; Personal Accidents; Plate Glass; Sickness; &c.

TEST PAPER 21.

1. What is the object of a Prospectus?
2. Define Insurance.
3. What terms are used to describe the parties to a contract for insurance?
4. Name and define a document which embodies an insurance contract.
5. State the difference between the two kinds of Life Insurance Offices, as well as the two sections into which some offices divide their business.
6. Explain the meaning of Re-insurance.
7. Name four cases in which a legal Life Insurance is likely to be useful.
8. For what business purposes may the partners in a concern make use of Life Insurance?
9. Illustrate the advantage derived by an income tax payer through the insurance of his life.
10. Upon what do the Life Insurance Companies base their calculations when fixing life insurance premiums?
11. What is necessary in order to create a legal life insurance policy, and why are there legal restrictions in the matter?

12. Name and describe the document used when applying for Life Insurance.

13. Is an Insurance Company bound to remind its policy-holders when a Premium falls due?

14. Suppose a Renewal Premium is due on the 1st January, does the policy become void if not paid on this date?

15. What is meant by "Whole Life Insurance" and "Term Insurance?"

16. How may bonuses declared upon a policy be applied?

17. By what kind of an insurance can the payment of a capital sum be secured during the lifetime of the insured?

18. What is meant by a "Free Policy?"

19. When does a policy become a marketable security?

20. Define Surrender Value.

21. Can a loan be obtained on the security of a policy, and if so, to whom should application be made in the first instance?

22. What precaution should be observed by a person purchasing a life policy or advancing money thereon.

23. What evidence must be produced to the Insurance Company to prove the death of the insured and the claim of the applicant?

24. What is Fire Insurance?

25. Define "Insurable Interest."

26. What is meant by Tariff Offices and Tariff Rates?

27. How are risks usually divided and what are the ordinary rates thereon?

28. What acts of the insured would cause the policy to be rendered void?

29. Mention some articles which would not be covered by the ordinary fire policy unless specially mentioned therein.

30. What document is given by an Insurance Company in temporarily accepting a risk, until the necessary enquiries have been made?

31. Explain the three kinds of Fire Policies.

32. How many days of grace are allowed for the payment of a Fire Premium?

33. Is an Insurance Company bound to pay damages in respect of a fire, in respect of which the insured has already recovered damages from another source?

34. What steps should be taken by the purchaser of a building, which is insured by the vendor, in order to secure the benefits of the insurance?

35. What is the duty of the insured immediately a fire takes place?

36. By whom are insurance claims usually dealt with on behalf of the insurance companies?

37. If the same property is covered by more than one insurance what effect has this fact upon the payment of the damages?

38. Why should employers insure their workpeople, and what are the Rates of Premiums usually based upon for such insurance?

39. What is meant by "Fidelity Guarantee Insurance," and what advantage has it over the old system of Suretyships?

40. What is the difference between a "Collective" and a "Floating" Policy in connection with Fidelity Guarantee Insurance?

MARINE CARRIAGE and INSURANCE, &c.

The whole law and practice of carriage by sea could not be adequately expounded in a volume of less than a thousand pages. The purpose of this chapter is merely to give a very brief sketch or outline, so as to render ordinary references to marine matters fairly intelligible to the junior clerk.

BAILMENT is a delivery of goods in trust upon a contract express or implied that the trust shall be duly executed, and the goods re-delivered as soon as the time or use for which they were bailed shall have elapsed or be performed. The person who receives the goods is styled the *bailee,* the person who delivers them the *bailor*.

A **COMMON CARRIER** is one who undertakes to carry for *hire* from place to place the goods of anyone who employs him. Of this description are the proprietors of wagons and coaches carrying goods, barge owners, possessors of ships and boats engaged generally in the conveyance of goods for hire, and canal and railway companies, unless the Act constituting them limits their liability. But a person who conveys passengers only is *not* a common carrier, nor is a carman who does casual jobs under special contract. Every common carrier is under a legal obligation to carry all goods belonging to the description of articles which he publicly professes to carry, and he is bound to do so for anyone who is ready to pay him his customary hire; provided he has room for the goods in his cart or carriage to convey them in safety. The **two obligations** therefore of a common carrier of goods are (*a*) to carry for everybody, and (*b*) to answer for all things carried as insurers. At common law a common carrier must make good any loss or damage, whether or no it be caused by his negligence, for his agreement is to carry safely and securely, unless prevented by the act of God, or of the king's enemies. An act of God is some unforeseen accident of the elementary forces of Nature unconnected with the agency of man or other cause, which could not have been prevented by the exercise of any foresight reasonably to be expected of the carrier, such as storms, gusts of wind, lightning, floods, sudden deaths or illness, and accidents not resulting from human agency.

The **insurance obligation** of a common carrier is, however, restricted by **The Carriers' Act, 1830,** which protects carriers by land from liability for the loss of, or injury to, gold or silver, plated articles, precious stones, jewelry, watches, clocks, trinkets, bills, notes, securities, stamps, maps, writings, pictures, glass, china, silks, furs, or lace, **exceeding the value of £10,** unless the party delivering the goods **declare** the value, and offer to pay, if required, an extra charge for carriage.

The **limitation** of the **liability** of carriers by sea is defined by **The Merchant Shipping Act, 1894,** which provides that when loss or damage occurs to goods, without any actual fault or privity on the part of the shipowner, he is not liable at all in the following cases :—(1) when goods or other things on board are lost or damaged by reason of fire on board the ship; (2) when gold, silver, diamonds, watches, jewels, or precious stones are lost or damaged by reason of any robbery, embezzlement, making away with or secreting thereof, and when the shipowner or master had not at the time of shipment received the written declaration of their true nature and value. A **shipowner's liability** is, *in any event,* limited, in the following cases, if the misfortune has occurred without his actual fault or privity :—(1) where any loss of life or personal injury is caused to any person being carried in the ship; (2) where any damage or loss is caused to any goods, merchandise, or other things on board; (3) where any damage to person or property in or on another vessel, or to the other vessel itself, is caused by improper navigation of the ship.

With the exception of certain small coasting vessels, **ships** must be **registered,** in order to have the privileges of British Ships, *i.e.,* the right to assume the national flag and character, and the right to the protection that it affords. The **property** of every **British vessel** is considered as divided into sixty-four equal parts or shares; and no person can be registered as owner in respect of a fractional part of a share or any proportion not being a sixty-fourth part. But any share may be held in **joint ownership,** and the joint owners, not exceeding five in number, may be registered and shall be considered as constituting one person, and any number of persons may have a beneficial title in a single share, the registered owner representing them.

Contracts for the **carriage** of **goods** in **vessels** are either contracts by *Charter Party* or contracts for the conveyance of goods in a *general ship,* in which case the contract of affreightment is evidenced in a document called a Bill of Lading.

A **CHARTER PARTY** (**C/P.**) is an agreement by which a shipowner agrees to place an entire ship, or part of it, at the disposal of a merchant, known as the *charterer* for the conveyance of goods, binding the shipowner to transport them to a particular place, for a sum of money which the merchant undertakes to pay as freight for their carriage. The **stamp duty** on the original C/P. is sixpence, which may be denoted either by an adhesive or embossed stamp. A **Time Charter** is one where a vessel is hired for a *specified length of time*; while a **Voyage Charter** is one where a vessel is chartered for a certain *determined voyage,* or voyages, irrespective of time. A Charter may amount to a complete demise of the ship, that is to say, it may put the vessel out of the power and control of the owner, and vest that power and control in the charterer, so that during the hire the ship is to be regarded as that of the charterer and not of the owner; but, generally, the ship remains in the possession of the owner, the charterer acquiring the right only to put his goods on the vessel, and to have

them carried. The contract can be made by the shipowner, his agent, brokers, or by the captain on behalf of the owner. The Charter Party must state the voyage to be performed and the terms on which the goods are to be carried. It must also specify the ship's tonnage, the number of days to be consumed in loading and unloading, known as **lay days,** the demurrage to be charged for the ship's detention beyond that time, the course she is to pursue, and all particulars necessary to bind the parties to the terms agreed upon between them. In some cases it is agreed that **Dispatch Money** shall be allowed, *i.e.*, an allowance of so much per hour or per day, made by the owners of a chartered vessel when she is loaded or unloaded in a quicker time than that agreed upon in the C/P. C/P. are usually made out by the shipbroker, who negotiates the business, he keeping the original and issuing certified copies to the charterer and the shipowner.

A contract for conveyance in a **general ship** is a contract by which the master or owner of a ship engages with separate merchants, or with one merchant who sub-lets to sub-freighters to convey their goods to the place of her destination. In this case she is called a *general ship*; and no charter is usually executed, but only a **BILL of LADING** (**B/L.**) which is a document given by the brokers or owners of a vessel acknowledging the receipt of the goods shipped, and containing the terms and conditions upon which it has been agreed that they are to be carried. A B/L. sets forth the ship's name, the shipper's name, the port of destination, the number and weight of goods shipped, their marks, the agreed conditions concerning weight and primage, and the name of the person to whom the goods are to be delivered. A B/L. is an instrument of possession, or **document** of **title,** and in a certain limited sense, a **negotiable instrument**; so that by an **endorsement** of it the shipper or consignee, either to a particular person or in blank, accompanied by a delivery of it to the intended transferee, the property in the goods may be transferred, subject only to the right of an unpaid seller to stop in transitu. Any person in the lawful possession of a B/L. is therefore considered the lawful owner of the goods for which it has been issued and invested, with all the rights and liabilities attaching to them under the document. A **clean** B/L. is one in which there is no cause detrimental to the shippers, *i.e.*, nothing to qualify the admission on the part of the shipowner that so many packages are shipped in good order and well conditioned. A **through B/L.** is one made for the carriage of goods from one place to another by several shipowners or railway companies. Every B/L. must be *impressed* with a sixpenny **stamp** before execution. B/L. are generally made out in **duplicate** or **triplicate,** the original being sent by the merchant to the consignee by post; the second copy being sent to the same address by the steamer carrying the goods, so that if the steamer arrives before the mail there is no delay in obtaining delivery; the third copy being kept by the exporter for reference. In addition to these copies, an **unstamped copy** is made out for the captain and handed to him with the other ship's papers.

Stamp 6d. embossed.

B

J

E

Antwerp.
6 *B/s.*
numbered
1000 *to* 1005,
respectively.

Charges:—
£

Shipped in good order and well conditioned by Messrs. Jones & Co., in and upon the good Steam-Ship "*Victoria,*" whereof *Captain John Dale* is Master for this present voyage, now lying at **GOOLE,** and bound for *Antwerp, six bales printed cottons,* being marked and numbered as in the margin, and are to be delivered in the like good order and condition at the aforesaid port of *Antwerp,* or so near thereto as she can safely get (the act of God, &c., excepted), unto *Messrs. Bruce & Sykes* or to their assigns, they paying freight for the said Goods, *Two pounds, seven shillings and eightpence,* with primage and average accustomed, and Charges as stipulated. In witness whereof the Master or Agent of the said ship has signed *three* Bills of Lading, of this Tenor and Date, one of which being accomplished, the others to be void. Dated in **Goole,** 13*th July,* 1917. Weight and contents unknown.

JOHN DALE.

LETTER of INDEMNITY. If any packages are torn, broken, wet, &c., the damage is noted on the Bill of Lading which is then termed a **foul** B/L. In order to obtain a clean B/L., even when one or more of the packages are damaged, the shipper may give the shipowners, agents, or captain of the vessels, a letter indemnifying them against any claim which may be made by the consignees for such damaged packages, otherwise the shipowner is responsible. The Letter of Indemnity is attached to the copy of the B/L. retained by the Captain.

When sending goods in a general ship it is the practice for the shipper, on boarding the goods, to obtain the **MATE'S RECEIPT,** which acknowledges receiving the merchandise in good order and condition, such Receipt being afterwards given up to the ship-broker in exchange for the B/L. Should the mate, when receiving a cargo, observe any defect in the condition of the goods, he specifically notes the same on the Receipt, such as "cases broken" or "bundles loose," &c., and when his tally does not agree with the number of packages named on the note, he writes "ten cases in dispute; if on board to be delivered," as this exempts the ship from discharging more than is found on board, in cases where his count and the number of packages do not agree. Sometimes, although a stated number of packages may leave the works, some of them, from pilfering on the railway and other causes, may not arrive at the ship's side. They are "lost in transit," and the railway and other carriers who signed for the full quantity received by them, are liable for the value of the packages lost while in their care.

BOTTOMRY is a contract by which the owner or captain of a vessel borrows money on the security of the bottom or keel, by which, a part being put for the whole, is meant the ship itself. The borrower undertakes to repay the loan with interest, in the event of the ship terminating her voyage safely, and binds or

hypothecates the ship, freight or cargo, or all of them, for the purpose of his contract. If the ship be lost, the lender loses all his money. If, on the contrary, it returns to safety, he receives back the principal, together with any rate of interest that may be agreed upon between the parties. The necessity for Bottomry generally arises when the captain of a vessel is forced, perhaps by his ship springing a leak, to put into a strange port, where he must raise money to pay the cost of repairs and other charges. Should the captain, after granting a *Bottomry Bond,* meet with further disaster, and have to raise more money by Bottomry before the completion of his voyage, the last bond must be paid first, the holder of the first bond having to be contented with the settlement of his claim last. **Respondentia** is a contract by which the owner or captain of a vessel borrows money on the security of the cargo only, in which case the borrower is *personally* responsible and is bound to answer the contract. The chief *difference* between a Bottomry and a Respondentia Bond is that the principal and interest secured by the latter document *must be repaid,* as the borrower is personally liable.

GENERAL AVERAGE is a contribution which the law requires to be made by the several persons interested in a ship, freight, or cargo, to indemnify a person suffering a damage, loss or expense, which was *voluntarily* and *necessarily incurred* for the purpose of, and conduced to, saving the ship and cargo or a part of the property. Sacrifices of cargo by **Jettison,** *i.e.,* throwing goods overboard to lighten a ship, damages to cargo by pouring water over it to extinguish a fire, and expenses incurred in warehousing and reloading goods when a ship puts into a port of refuge to repair a general average sacrifice, such as cutting away a mast, all give rise to a claim for general average contribution. To put it shortly, if for the sake of lightening a ship a jettison of merchandise is made, that which is sacrificed for all must be made good by a contribution of all. When the captain arrives on shore, he should, with some of his men, make oath that the sacrifice was made solely for the general safety of the ship and goods, crew and passengers. The **practice** is, to ascertain the proportion that the value of the property sacrificed bears to the entire value of the ship, cargo, and freight, and to make the property of each owner, including the property sacrificed, contribute to the common loss in that proportion. The **adjustment** of the average is usually made by brokers, and the amount is paid by the insurers of the different parties chargeable. **Particular Average** (**P/A.**) loss arises from some injury suffered, or expenditure incurred, for the sole benefit of the person to whom the property belongs, and in this case the damage or expense falls entirely upon the particular owner of the property, inasmuch as it has not been incurred for the general safety of the vessel. **F.p.a.** is an abbreviation of "free of particular average," meaning that the underwriters are not liable for any insurance claims for P/A. **F.a.a.,** "free of all average," means that no claim can be made either for G/A. or P/A., and that the goods are insured against total loss only. **F.g.a.,** "foreign general average," signifies that the underwriters are to pay for any G/A. according to the average statement made abroad, should it be made there.

Freight is the name given to the reward paid to the shipowner for the carriage of goods; the amount paid for the hire of a ship, or a charge for carrying or transporting merchandise by water. This word is also frequently used to denote the *actual cargo* of a ship. Freight is usually reckoned at a certain rate per ton unless a fixed sum called **Lump Freight** is stipulated to be paid for the use of the entire ship, this being payable though no goods are shipped. **Dead Freight** is compensation paid by the freighter of a whole ship for space remaining unoccupied when the cargo is not a full one. Freight is not usually payable until the voyage has been completed and the goods delivered, unless non-delivery is caused by the fault of the shipper alone, or by the perils accepted in the C/P. or B/L. *Advanced Freight,* if payable, is due at the moment of starting, unless otherwise agreed; even if not paid it can be recovered by the shipowner from the charterer upon the loss of the ship. *Freight pro ratâ* is the term given to a payment which is sometimes made when the contract has been performed in part only, where goods have been accepted at a point short of their original destination, and payment of freight is only made for that portion of the voyage which has actually been performed. The shipowner possesses a **lien** upon the goods which he carries, until he has received payment of freight. The lien extends to all the property consigned on the same voyage, by the person from whom the freight is due; it ceases upon delivery of the goods. In many cases it may be inconvenient to retain them on board, and yet, if landed, the lien upon them would be in danger of being lost. A shipowner, has a lien for general average contributions, and also for expenses incurred in protecting the goods.

Salvage is a compensation to be made by the shipowner or merchant for some special assistance by which the ship or its lading has been saved from some impending peril, or recovered after actual loss. The amount payable for Salvage is generally assessed by the Court, but it is quite competent for the masters of the vessels concerned, to enter into an agreement before assistance is rendered, fixing the amount to be paid. The salvage money is apportioned between the owners, master, officers and crew of the salving vessel. A **Derelict** is a ship that has been abandoned at sea. **Barratry** signifies any wrongful act, wilfully committed on the part of the master or crew of the ship, with intent to defraud the owner, charterer, or insurer, whether by running away with the ship, sinking her, unlawfully deserting her, or embezzling the cargo. **Clearing a Vessel** is the obtaining of the license of the Customs House officer before a ship is allowed either to depart on her voyage or to clear herself after the voyage is completed. This license is known as a clearance; which may be outward or inward. A **Manifest** is a form filled up by the captain of a ship, and lodged at the Customs House on leaving port, containing a description of his vessel, full particulars of her cargo, and crew, and the ports of destination to which she is bound. A **Captain's Protest** is a declaration made by the captain and crew, upon oath, as to the particular circumstances under which any injury to a ship, or damage to her cargo, has arisen. The protest is generally prepared by and declared before a Notary Public. A **Supercargo** is a person in a vessel who has charge of its cargo and trading

transactions. He superintends the sale of the cargo and procures other goods or freight for the return voyage. **Primage** was originally a gratuity or allowance given by the shippers to the captain of a ship for his care and trouble in loading and taking charge of the goods while on board. It is now an addition per-centage to the freight for the use of cable and ropes in loading and unloading cargo. This rate varies according to the customs of the various ports.

LLOYD'S is an association of **marine underwriters** in the City of London. Its name is derived from a coffee house kept by Mr. Edward Lloyd in Tower Street, in the 17th century, where underwriters met to transact business. In 1692 Lloyd's Coffee House was removed from Tower Street to Lombard Street, and in 1774, Lloyd's left the Coffee House in Lombard Street for premises in the Royal Exchange, where it has since remained. The wars, which lasted from 1775, with but short pauses till 1815, tended to attract marine insurance to Great Britain from all parts of the world, and raised Lloyd's to the high position it has since held. In 1810, Parliament appointed a Committee to inquire into the affairs of the Institution. From this inquiry Lloyd's emerged with credit, and has continued to assist in the promotion of every measure which might aid in preservation of life at sea, the prevention of fraud in connection with marine insurance, and the rapid collection and distribution of maritime intelligence. In 1871, Lloyd's was incorporated by Act of Parliament, but does not, as a Corporation, undertake insurance business. This is conducted solely by its members on their own account; and so long as they conform to the rules of the Society, they are free to follow their individual views. Lloyd's is, in fact, a **great market for insurance.** Candidates for election as Members are required to satisfy the Committee as to their means, and in all cases to deposit in the names of the trustees a sum of not less than £5,000, as additional security for liabilities incurred on account of marine and transport risks.

Lloyd's is also an immense **organisation** for the **collection** and **distribution** of **marine intelligence** which is published daily in "Lloyd's List." This paper, originally established in 1696 as "Lloyd's News," dates from 1726, and is the oldest newspaper in Europe with the exception of the "London Gazette." The Intelligence Department has developed continually under the influence of steam and electricity, and continues to keep pace with the opening of new ports, and the increased means of communication. The information is supplied by Lloyd's Agents on every coast in the world, who, in written lists, or by telegram, report the arrival, departure, and casualties of vessels within their districts. In this connection the value of Lloyd's Signal Stations is very great, not only to underwriters but also to merchants and shipowners, as it is frequently an advantage that a vessel should be intercepted off the coast and ordered to its port of destination. Shipowners in this way often have the earliest intimation of the arrival of their ships. Vessels arriving off out-lying signal stations often bring important intelligence as to derelicts and wrecks passed on their voyages, as well as information of vessels in distress requiring assistance, and overdue vessels arriving on long voyages are reported at these

stations. Not one vessel in ten bound to ports in the United Kingdom from distant ports arrives at her terminal port without first being reported from one of Lloyd's Signal Stations. The Corporation of Lloyd's now holds a similar position, with regard to Signal Stations, to that occupied by the Corporation of the Trinity House with regard to lighthouses. These valuable aids in the preservation of life and property are one of the latest developments of the Corporation. At Lloyd's is maintained a **Captain's Register,** showing the services of every master in the mercantile marine, and much confidential information of great value to underwriters is collected in the Secretary's Office for the benefit of Members and Subscribers to the Corporation. Lloyd's also maintains an **Inquiry Office** where the relations of crew or passengers may obtain, without cost, information concerning the movements of the vessel in which they are interested. **Lloyd's Register,** published annually to merchants and others, furnishes valuable and reliable information respecting ships and their classification. It contains particulars of the tonnage, age, build, nationality, character, and condition, &c., of every ship whose owners comply with Lloyd's rules. The register contains particulars of all British vessels of 100 tons burden and upwards. The mark A1. denotes vessels of the highest class, while that mark in red or 90 A1. denotes an inferior vessel; and the marks AE1 or 80 A1, vessels of the lowest class.

MARINE INSURANCE is a **contract** by which one party, for a stipulated sum, agrees to **indemnify** another against loss of a ship, or the goods, or the freight, or the profits expected from the cargo, or of all or any of them, during a certain voyage or a certain period. Such insurances are usually undertaken by several persons, who are called **underwriters,** from their subscribing the policy, and each engaging thereby, on his own separate account, to indemnify to the extent of a certain sum set opposite his name, as subscribed or underwritten at the foot of the policy.

The insured must have an **insurable interest** at the time of the loss, though not necessarily at the time of effecting the policy, but in order to have an insurable interest, it is sufficient to have a right of such a nature that the insurer may be benefited by the preservation of the thing insured, and prejudiced by its destruction or damage. The following are examples of persons having an insurable interest, viz. :—(*a*) Shipowners and owners of goods, to the extent of the value of their interest; (*b*) A Mortgagee, to the extent of the sum due to him; (*c*) A Mortgagor, to the full value of the property; (*d*) An insurer, to the extent of his liability; (*e*) A Bottomry Bondholder, to the extent of the amount payable to him under the bond; (*f*) The person to whom freight is payable; (*g*) A master may insure his wages, but not a seaman.

The **rate** of **premium** to be paid on goods varies according to the nature of the ship and merchandise, the voyage and the time of the year, the amount to be insured and the conditions upon which insurance is to be effected. Premiums and **risks** have peculiar terms, according to their nature or their application; thus there are summer premiums and winter premiums; long premiums, where there may be a return of premium upon stipulated conditions, and

short premiums, when a return is excluded or not named; Baltic Risks, and Mediterranean Risks, &c.

To **effect** an **insurance** against marine risks it is necessary either to apply to one of the Marine Insurance Companies, or to Lloyd's underwriters. Although the proposer may communicate direct with one of the insurance companies it is more usual to secure the **services** of a **broker,** and in the case of Lloyd's this is absolutely necessary. The broker's commission is calculated on the premium, and is always *paid by the underwriter.* The person wishing to insure, or his broker, fills up a **Memorandum** or **Slip,** containing particulars of the insurance he proposes to the underwriters, the risks against which it is desired to insure, the voyage or time during which the insurance is to last, and any other particulars which will assist the underwriter in determining the real nature of the risk. This **Insurance Slip** is placed by the broker before one or more underwriters, who, upon accepting the risk and arranging the premium, initial or sign the slip and name the amount for which they are responsible, the policy being prepared in due course. When the insurance is effected direct with a company a **Covering Note** is given by the company to be insured.

The Marine Insurance Act, 1906, states that "a **contract** of marine insurance is deemed to be concluded when the proposal of the assured is accepted by the insurer, whether the policy be then issued or not; and for the purpose of showing when the proposal was accepted, reference may be made to the Slip or Covering Note or other customary memorandum of the contract, although it be unstamped." While the contract is concluded upon proposal and acceptance, it must nevertheless be expressed in the form of a **policy,** bearing an *impressed* stamp. Such a marine policy must **specify** (1) The name of the assured or his agent; (2) The subject-matter insured and the risk insured against; (3) The voyage during which the subject of the insurance is to be covered, or the time when the risk is to begin and when to cease; (4) The sum or sums insured; (5) The rate of premium arranged; (6) The signatures of the underwriters or their agents.

There are several **kinds** of **marine policies,** differing from one another, not in the general form of the document, but as to certain special conditions, such as (*a*) the amount insured, (*b*) the ship on which the insured interest is placed, (*c*) the duration of the risk. Concerning the amount insured, a policy may be either *Open or Valued.* An **Open Policy** is one which does not state the value of the subject-matter of the insurance, hence, after a loss, the amount to be paid by the underwriters remains a matter of assessment and requires to be proved. In a **Valued Policy** the amount is *fixed* by agreement and stated in the policy, the insured being entitled to the full sum covered by such a policy, in case of *total loss.* Where the *loss* is only *partial* it would then require to be *proved* and assessed whether the insurance be effected through an Open or a Valued Policy.

As regards the ship on which the insured interest is placed, policies are either *Floating* or **Named,** the latter containing the name of the ship. A **Floating Policy** is one in which the ship's

name is not mentioned therein, and is frequently issued to merchants who regularly ship goods to a given port or ports. The policy insures "any ship or ships," for a stated sum, and as each vessel is fixed, *declarations* are afterwards *endorsed on the policy,* giving the names of the various ships and the amounts which are apportioned to them.

When the whole sum insured under such a policy is accounted for, it is said to be declared or written off. A policy in which both the *sum* and the *ship* are specified is *Named* or *Special,* but when neither is stated it is termed an *Open Policy.*

With reference to the duration of the risk insured policies may be classified into Voyage, Time, and Mixed. A **Voyage Policy** is one which will cover the subject-matter for a specified voyage or number of voyages, as from London to Calcutta, the duration of the risk being limited between the date of the ship's sailing and that of her arrival. A **Time Policy** is one covering insurances for a specified period, which must not exceed one year; but such a policy may contain a "continuation clause" to the effect that in the event of the ship being at sea, or in the event of the non-completion of the voyage at the expiration of the policy, the subject-matter of insurance shall be held covered until the ship's arrival, or for not more than 30 days thereafter. A Time Policy, in which the voyage also is specified, is styled a **Mixed Policy,** *e.g.,* London to Sydney, for two months.

A Wagering or **Gaming** or **Honour Policy** is an **illegal** one used for insuring profits or one in which there is no real interest at risk, and the underwriters agree to dispense with the usual documents which are generally used to prove a loss. Such policies bear the words "Interest or no interest," "Policy proof of interest," "Without benefit of salvage," "Profit on 500 cases of sugar," and similar phrases. An **Interest Policy** is one in which some real and specified interest is insured, as 500 cases of currants.

A **return** of the **premium** or the undeclared **portion** thereof will be made by the underwriters where (1) by a misrepresentation which was not wilful the insured induced the underwriters to issue a policy, and upon finding the true facts they repudiate liability under it, (2) in an open or floating policy on cargo, when the total is not declared within the currency of the policy. This is called *short interest.* Underwriters also sometimes make a return or an allowance of a given percentage on the premium in respect of Time Policies on ships laid up in port, on account of the reduced risk while in the harbour.

By a **warranty** the insured undertakes that some particular thing shall or shall not be done, or that some condition shall be fulfilled, or he affirms or negatives the existence of a particular state of facts. A warranty in a policy of insurance is a condition or contingency, and unless that be performed there is no contract; it is perfectly immaterial for what purpose a warranty is introduced but being inserted the contract does not exist, unless it is literally complied with. A warranty, therefore, when once introduced must be strictly performed, otherwise the underwriter may avoid

the policy, though the loss has nothing whatever to do with the breach of the warranty, and though the breach of warranty arose owing to events beyond the control of the warrantor. A warranty may be *express* or *implied*; and if express, must be inserted in or incorporated with the contract. The more usual **express warranties,** are (1) To sail on a given day; (2) That the vessel is safe at a given time; (3) To sail with convoy, if in time of war; (4) That the ship is neutral; (5) That the goods are neutral, which implies that they are neutrally owned, and will be carried to a neutral destination, by a neutral ship. **The implied warranties** are (1) That the ship shall pursue the proper course of the voyage without deviation or delay; (2) Seaworthiness; (3) Reasonable care to guard against the risks; (4) That the venture is a legal one and will, so far as the assured can control it, be carried out in a legal manner.

A **deviation** from the proper course, unless justified by necessity, discharges the underwriter, not from the commencement, but from the time of deviation; so that it does not exempt him from loss incurred before the deviation, but he is free from responsibility subsequent to the deviation, though the loss were not occasioned by the deviation, and though the ship resumes her proper course before it happens. A **representation** is a statement made by the assured to the underwriter regarding the proposed risk, but it is not an integral part of the contract itself. If made, and if material, it must be substantially complied with. In effect it differs from a warranty in that, whereas a **misrepresentation,** if untrue entitles the underwriter to avoid the policy only if it is material, a warranty avoids the contract under any circumstances; and further, that whereas substantial compliance is sufficient in the case of a representation, *strict* compliance is needed for a warranty. It is a condition of the contract that there must be no misrepresentation or **concealment,** either by the insured or by anyone who ought as a matter of business and fair dealing to have stated or disclosed the facts to him, or to the underwriter for him. It is the duty of the person intending to insure to inform the writer of every circumstance or fact with which he is acquainted, and which is material to the risk. Thus he should communicate news intending to show that a vessel is overdue, that it is damaged, or that it is lost. But there is no need to communicate knowledge which the underwriters are likely to know, such as general trade customs, speculations as to war, tempest, &c., nor need the intending insured disclose his opinion on matters relating to the adventure.

Re-insurance occurs when one underwriter insures the risk he has undertaken with another underwriter. A re-insurance is treated just as is an original insurance, and the law applicable to each is, in the main, identical. A **double insurance** occurs when the insured effects two or more policies on the same interest or adventure. If the two together cause an over-insurance the excess cannot be recovered, but the insured may sue on whichever policy he desires and may recover the whole sum specified; the underwriters then arrange between themselves as to contribution, each being liable to the other to contribute his proportionate part.

Loss is either *total* or *partial,* called also *average loss.* A **total loss** is one on account of which the insured is entitled to recover the whole amount insured. Total losses are either *absolute* or *constructive.* An **absolute** or **actual total loss** is one which takes place when the subject insured is wholly destroyed or cannot be recovered, at least, without such an expense as to render the attempt to recover it worthless. This loss includes all those ships concerning the absolute destruction of which there is ample direct evidence; ships which founder by reason of collision, or striking a floating derelict, or after being dashed upon the rocks, or burnt out, and whose crew reach land and report the disaster. A **constructive total loss** is one which takes place when the subject insured is not wholly destroyed, but its destruction is imminent, or its recovery exceedingly doubtful. In the case of an absolute total loss the underwriter is liable for the whole amount of his subscription absolutely. But in the case of a constructive total loss the underwriter is only liable for the whole amount of his subscription, in case the insured, within a reasonable time, gives notice of abandonment.

Abandonment is a relinquishment, to the insurer, by the insured, of the subject of insurance, or whatever part thereof may be saved, where the insured calls upon the insurer to settle with him for a total loss, in consequence of the greatness of the damage, the imminent danger of destruction, or the improbability of recovery.

The settlement between the insured and the underwriter is styled the **adjustment,** and is usually settled on behalf of the parties by their brokers. In case of a **partial loss** to the **ship,** if the policy is valued, a percentage of the valuation amount will be allowed proportionate to the actual damage as compared with the real value; if the policy is open the underwriters will have to pay the cost of the repairs, less customary deductions, which means generally that they will pay two-thirds of the expense on the repairs, the other third being an arbitrary amount supposed to be equivalent to the gain obtained by the owner, by the substitution of new materials and work for old. But on a first voyage they usually have to pay the whole. In the case of a **total loss** of the **ship,** if the policy is a valued policy, the amount payable is fixed in the policy; if the policy is an open one, the amount payable is the value of the ship at the commencement of the risk, including the outfit, stores, provisions, and money advanced for seamen's wages, together with the cost of insurance. In the case of **goods,** when the policy is open, the insured may recover the price of the goods at the port of shipment, in addition to the commission and the premium paid; if valued, then the amount agreed, or a proportion upon the value specified, based upon the difference between the sound and lost or damaged goods. If the insured has paid, or is liable for any *general average* contribution, he is, subject to any special terms of the policy, and to the limit of the sum insured, entitled to be indemnified to the full amount of his general average contribution or to a proportionate part, dependent on whether the subject-matter, liable to contribution, is or is not insured for a sum equivalent at least to the full amount to be contributed.

Subrogation means the succession or substitution of one person or thing by or for another; in marine law, the assignment by the insured to the underwriters upon payment of a total loss. When a person insured suffers a total loss and is indemnified for it by his underwriter, there is in virtue of this very payment and acceptance of indemnity a transfer from the insured, to the underwriter of all interest in the article insured, the underwriter acquiring all the rights of ownership, at least up to the value which he has paid. If the insured absolutely abandons to the underwriter, then the latter's rights of property and recovery are *not* limited to the amount he has paid. For instance, a steamer valued in her policies at £6000 was run down by another steamer. The latter was held to blame and had to pay up to the limit of her statutory liability (at £8 per ton) £5684 or thereabouts. So far, it seems only right that the underwriter should receive this amount in full. But it appeared that in the statement made by the owner of the sunken steamer and accepted by the Court, that the actual value of that steamer was stated at £9000. The insured claimed the portion of £5684 attaching to the difference between £9000, the actual value, and £6000, the insured value, namely, one-third or £1895. But it was held that he had no right to any share of the amount recovered, and as far as can be seen the decision would have been the same had the full £9000 been recovered. In giving judgment the judge said: "Just as the underwriters would be entitled to the ship if it could have been got bodily back, so they are entitled to that which is the representative of the ship in the shape of damages to be paid by the owners of the vessel which caused the collision."

TEST PAPER 22.

1. Define Bailment.

2. What is a Common Carrier and in what respect is his insurance obligation restricted?

3. What are the limitations of the liability of carriers by sea?

4. What is the smallest legal property in a British vessel capable of being registered?

5. Define the different kinds of Charter Parties.

6. What is the difference between Demurrage and Dispatch Money?

7. Describe the document necessary for embodying the contract when sending Goods in a General Ship; state the stamp duty thereon, and how many copies are produced.

8. When is a Letter of Indemnity rendered necessary, and who takes possession of it?

9. What document is given in return for the goods on placing them on board ship?

10. Explain Bottomry and Respondentia.

11. State the difference between General Average and Particular Average.

12. What is meant by Freight, Lump Freight, and Dead Freight, and when is Freight usually payable?

13. Explain Salvage and Barratry.

14. What document must a captain of a ship lodge at the Custom House before leaving port, and what must it show?

15. What is the special business of Lloyd's?

16. Define Marine Insurance.

17. Give three instances of persons having an Insurable Interest.

18. What governs the rate of premium for Marine Risks?

19. Describe the procedure in effecting Marine Insurance.

20. What must a Marine Insurance Policy specify?

21. Describe the various kinds of Marine Policies.

22. When may the insured obtain a return of premium?

23. What is a Warranty?

24. What effect has Deviation from the proper course upon an insurance contract?

25. What effect would Misrepresentation or Concealment have upon a contract for Marine Insurance?

26. What is meant by Re-insurance and Double Insurance?

27. Define Absolute Total Loss and Constructive Total Loss.

28. What is the meaning of Abandonment and Subrogation?

29. Explain the meaning of Adjustment in the case of both Partial Loss and Total Loss.

AVERAGE DUE DATE. This is a date determined upon by an arithmetical operation known as "Equation of Payments," whereby a single payment can be equitably made in lieu of several payments upon different dates. To calculate the average due date upon which the total of several sums, falling due on different dates, should be paid, multiply the different amounts by the number of days between the *first* date and the dates upon which the other sums fall due; divide the sum of these products by the sum of the amounts, and the result is the number of days between the first date and the average due date, *e.g.*:—

Date.	Amount due.	Days from 1st March.	Product.
March 1	£300	0	0
April 2	200	32	6400
May 4	150	64	9600
June 5	350	96	33600
	£1000		49600

Dividing 49600 by 1000 gives $49\frac{600}{1000}$; call this 50 days which must be added to 1st March, which gives 20th April, this being the average date.

IMPORTATION OF GOODS.

The subjects of **Imports and Exports** are very important, especially so to the United Kingdom, which imports and exports a larger amount of goods than any other nation. The value of the Imports to the United Kingdom in the year 1913 reached £768,734,739, and the value of the Exports £634,820,326; the grand total of our foreign trade thus totalling £1,403,555,065.

Imports and Exports of the Principal Nations. The following table shows the amount of the foreign trade of the principal nations and countries for the year **1911** in millions of pounds sterling (to the nearest million)—

	Imports.	Exports.	Total.
1. United Kingdom ...	681	557	1238
2. Germany	469	398	867
3. United States	319	429	748
4. France	326	247	573
5. Belgium	166	135	301
6. Austria	132	99	231
7. India	95	146	241
8. Russia	108	160	268

Sources of British Imports and Destination of British Exports, including Transhipment of foreign goods. The following table shows the sources of our Imports and the destination of our Exports for the year **1913** in millions of pounds sterling :—

	Imports. Million £'s.	Percentage to the Total.	Exports. Million £'s.	Percentage to the Total.
Germany ...	80	10.4	101	16.0
United States	142	18.5	89	12.5
France	46	6.0	70	11.0
Belgium	23	3.1	34	5.3
Russia	40	5.2	46	7.2
India	48	6.3	142	22.3

Nature of our Foreign Trade. As the following figures for **1913** will show, our **Imports** are mainly composed of Food and Raw Materials.

	To the nearest million £'s.
Food-stuffs, &c.	290
Raw Materials and articles mainly unmanufactured	282
Articles wholly or partly manufactured	194
Miscellaneous	3
	769

Our **EXPORTS** of home products, as shown below, chiefly consist of manufactured goods, while the transhipment of Foreign and Colonial Goods consists mainly of Raw Materials and Foodstuffs.

In Millions of £'s.	British.	Foreign & Colonial.	Total.
Food-stuffs	33	16	49
Raw materials and articles mainly unmanufactured	70	64	134
Articles wholly or mainly manufactured	411	29	440
Miscellaneous	11	—	11
	525	109	634

A **comparison** may be made from the following figures of the value of our Imports from and our Exports to, Foreign Countries and British Colonies and Possessions.

	Imports. Million £'s.	Exports. Million £'s.
Foreign Countries	577	329
British Colonies and Possessions	191	195
Re-Exports		111
	768	635

Balance of Trade. The difference between the value of the Imports and Exports of a country is called the *balance of trade.* It is an undeniable fact that a country's Imports must be paid for by its Exports, yet it will be seen from the above that the value of the British Imports of *goods* exceeds the Export of *goods* by more than two hundred million pounds annually. This difference is paid for by what is known by some as hidden exports, namely, services, &c., rendered.

The amount earned by the **Ships** and **Steamers** of the United Kingdom for carrying goods to and from our ports (*freight*) is about £90,000,000 a year. The total number of steamship and sailing vessels of the world, of 100 tons and upwards on 1st July, 1910, was 30,058, of which 9,417 belonged to the United Kingdom, and 2,078 to the British Colonies, making a total of 11,495 vessels sailing under the British Flag. From this it will be seen that a large percentage of the sea carriage of the world is done by British vessels.

A very large amount of **British Capital** is **invested** in **foreign** countries, and it is estimated that about £70,000,000 to £80,000,000 is due to be paid as *interest* on those investments. Certain sums of money are due to be paid annually to the Government from our *Colonies and Possessions,* about £20,000,000 being received from India alone.

The **Settlement** of **Debts** between foreign countries is effected by Bills of Exchange, the receiver of the goods and services in the debtor country buying bills and remitting them to the creditor country, or the sender of the goods in the creditor country drawing bills upon the debtor country; very little bullion passing in payment of the debts. Foreign trade therefore becomes practically a huge system of barter, goods and services being indirectly exchanged for goods and services, the *balances* only being paid in bullion.

Account of the Public Revenue and Expenditure (Exchequer Receipts and Payments) for the years ended 31st March, 1912 and 1913.

Heads of Revenue.	Years ended 31st March. 1912.	1913.
Customs	33,649,000	33,485,000
Excise	38,380,000	38,000,000
Stamps and Estate, &c., Duties ..	34,846,000	35,307,000
Land Tax and House Duty	2,880,000	2,700,000
Property and Income Tax	44,804,000	44,806,000
Land Value Duties	481,000	455,000
Post Office	25,700,000	29,175,000
Telegraph Service		
Crown Lands	530,000	580,000
Suez Canal Shares, Receipts, &c. ..	1,281,497	1,418,900
Miscellaneous	2,538,789	2,925,099
Total Income .. £	185,090,286	188,801,999

Heads of Public Expenditure.	1912.	1913.
Total for National Debt	24,500,000	24,500,000
Civil List and other charges on Consolidated Fund	11,329,241	11,345,725
Army Services	27,649,000	28,071,000
Navy Services	42,353,000	44,365,000
Customs and Excise	2,297,000	2,324,000
Inland Revenue Department	1,651,000	1,876,000
Postal Services	20,547,000	23,024,000
Miscellaneous Civil Services* ..	46,001,000	51,944,000
Development and Road Improvement Funds	1,709,859	1,172,205
Total Ordinary Expenditure £	178,545,100	188,621,930

*Including £4,466,000 for Insurance and Labour Exchanges.

Net Revenue from Customs, Excise and Stamps in the years ended 31st March, 1912 and 1913.

NOTE.—In consequence of outstanding Balances these amounts do not correspond with the actual payments into the Exchequer shown opposite.

Customs.	Years ended 31st March 1912.	1913.
Cocoa, Coffee and Chicory	*602,695	548,255
Dried Fruit	475,239	464,896
Spirits	4,215,745	4,166,795
Sugar	3,059,455	3,051,786
Tea	6,159,070	6,151,879
Tobacco and Snuff	17,342,360	17,254,125
Wine	1,088,346	1,109,957
All other Articles and Miscel. Receipts	653,735	769,802
Total Customs .. £	33,596,645	33,517,495

Excise.		
Beer	13,328,075	13,200,343
Glucose and Saccharin	67,569	57,336
Licences	5,638,524	*5,654,705
Railways	315,195	283,929
Spirits	18,511,392	18,432,492
Other Receipts (including Patent Medicines)	388,975	434,882
Total Excise .. £	38,249,730	38,063,687

Stamps and Estate, &c., Duties.		
Deeds and other Instruments ..	5,656,920	5,893,138
Probate of Wills	43,727	36,619
Legacies and Successions	5,278,801	5,323,403
Estate Duty	19,859,704	20,046,347
Life and Marine Insurances	258,503	281,980
Bills of Exchange, Bankers Notes, and Composition for Duty on Bills & Notes	1,017,224	1,088,254
Receipts and Drafts	1,886,681	1,922,165
Other Receipts	745,251	889,238
Total Stamps .. £	34,746,811	35,481,144

* Including arrears of 1909—10.

H. M. CUSTOMS

REPORT.

If Sailing Vessel or Steamer

No.

Official Number
Number of *Register*
Date of *Registry*

Port of

Ship's Name	Tonnage	British or Foreign; If British, Port of Registry; if Foreign, Country to which she belongs	Number of Crew: British Seamen	Number of Crew: Foreign Seamen	Name of Master, and whether a British or Foreign Subject.	Port or Place from whence arrived
		TOTAL				

CARGO.

1 Name or Names of places where laden in order of time.	2 Marks	3 Nos	4 Packages and Descriptions of Goods. Particulars of Goods stowed loose, and General Denomination of Contents of each Package of Tobacco, Cigars, or Snuff, intended to be imported at this Port	5 Particulars of Packages and Goods (if any) for any other Port in the United Kingdom	6 Goods (if any) to be transhipped or to remain on board for Exportation	Name of Consignee
If any wreck or derelict fallen in with, or picked up, or iceberg observed, or any casualty to the vessel occured during the voyage, particulars to be stated.						

STORES.

Surplus Stores remaining on board, viz.: ....

Beer, bott.
do. gall.
Cigars, lb.
do. number
Cigarettes ,,
Chicory, lb.
Cocoa, lb.
Coffee ,,
Dried Fruit, lb.
Lime Juice, bott.
do. gall.
Liqueurs, bott.
Perfumed Spirits, bott.
Playing Cards, packs
Punch, bott.
Spirits, bott.
do. gall.
Tea, lb.
Tobacco, lb.
Wine, bott.
do. gall.

Number of Alien Passengers (if any)....

Pilots' Names....

At what Station Ship lying....

Agent's Name and Address....

I declare that the above is a just Report of my Ship and of her Lading, and that the Particulars herein inserted are true to the best of my knowledge, and that I have not broken bulk or delivered any Goods out of my said Ship since her departure from , the last Foreign Place of Loading.

(Signed).

Master.

Signed and declared this day of 19

In the presence of

(Countersigned)

pro Collector.

Formalities on Importation. Every ship from abroad coming into a port of the United Kingdom must stop at the appointed *Boarding Station* in order to take on board the Waterguard Customs Officers, who make enquiries as to the ship, her cargo and crew, health, and route of voyage, also collect surplus dutiable stores of crew and passengers, placing them in a secure place on board under seal, and make a record of these particulars in the Ship's 1st Blue Book.

Ship's Report. The captain of every ship must, within twenty-four hours after arrival at any British port, and before bulk is broken, except by special permission, deliver at the Customs House a signed account, in proper form, of the cargo, giving the number of packages, marks, &c. This **Report** is practically a copy of the *Manifest*, and must be made out in duplicate, the original being retained by the Customs House and the copy forwarded to the Customs Officer at the dock where the ship is to discharge her cargo, in order that he may have particulars of the cargo being brought by the vessel. See previous page for Form of Ship's Report. The Report of the ship must be accompanied with the Certificate of Pratique (Health Certificate given by the Medical Officer of the Port), and the master must give full particulars of any casualties on board, any wrecks, or derelict vessels, ice, etc., seen during the voyage, and that he has disposed of all ship's letters in accordance with the Post Office Act of 1908.

In cases where ships discharge at successive ports, a full report of all cargo to be landed at each port is to be made at each of such ports, the cargo remaining on board from port to port being advised by the proper Officers of Customs and Excise to the next port of call. This Report is called "Ship's Travelling Report."

All ships' reports are numbered consecutively at each port beginning with No. 1, and all cargo ex that particular ship is known under the Rotation No. for all purposes of A/c., *e.g.* :— 1914/4566.

Certain high duty articles, such as Tobacco, Spirits, Saccharin, must be **specially** declared in the report, while the general bulk of cargo is usually declared under the particulars found in the Bills of Lading provided by the shippers.

Discharging the Cargo. The Cargo may now be discharged (unloaded). The goods are generally landed into sheds for examination by the Customs Officers. If found to be *free* after examination they are left at the disposal of the importer, and are usually taken charge of, on behalf of the importer, by one of the dock companies or wharfingers, by whom they are weighed, measured, or sampled as required, and who furnish the importer with Landing accounts, &c. The Officer of C. and E. issues an Out of Charge Note (see Form on next page).

It is the duty of the Landing Customs and Excise officers to see that all dutiable goods are *declared* and either not removed before the duty is paid, or removed only by one of the authorised or *licensed* lighter-men and carmen, to the bonded warehouses or wharves. These lightermen and carmen are under very heavy **bonds** to the Customs and Excise Authorities.

(A)

OUT OF CHARGE NOTE.

9/11/1917.

Dock or Station *Brewer's Quay.*

The following Goods ex *Ortolan.*

Captain *Herbert* from *Bordeaux*

are examined and delivered out of Charge of the Customs and Excise.

Mark.	No.	
	1/100	*100 C/s. Almonds.*

A.B.C. Officer.

Quantity required for Statistical purposes.

No. 130. Sec. $\frac{8848}{1913}$.

Bill of Entry. The Importer of goods, or his agent, must, before the unloading of the goods, make a regular *Bill of Entry* thereof, in the prescribed form, in which he gives a full description and states the value of the goods to be imported, declaring whether they are *dutiable* or *free,* and, if dutiable, whether he intends to have them **cleared** and delivered directly on payment of duty, or warehoused in *bond,* or whether they are for transhipment. There are five different kinds of *entries* :—

Entry for free goods—where no duty is to be paid.

,, ,, where no examination is to take place owing to their ultimate transhipment.

Entry for home use—for dutiable goods to be cleared at once, (called a Prime entry).

Entry for Warehousing—when payment of duty is deferred.

Entry for Transhipment—where dutiable goods are involved.

The forms prescribed by the Customs for the five entries are very similar, the difference between them consisting mainly in the declaration to be filled in at the foot of the document, which varies, of course, with the sort of **entry** required by each of the above cases, specimens of each of which follow :—

No. 23 (Sale)

ENTRY FOR FREE GOODS.

Port of LONDON.

Dock or Station. BREWERS' QUAY.

Importer's Name. JACKSON. (No. 1417).

Ship's Name.	Master's Name.	Rotation No.	Date of Report.	Port or Place whence
Ortolan.	Herbert	14/4566	6/11/17	Bordeaux.

Marks and Nos.	No. of Packages and Description of Goods in accordance with the Official Import List.	Quantity	Value. £
W 1/100	One hundred cases almonds (green fruit other sorts).	5½ cwts.	50

I enter the above Goods as free of Duty, and declare the above particulars to be true.

Dated this 6th day of Nov., 1917. } *(Signed)* *Importer, or his Agent.*

* (1) In the case of goods which are invoiced at a quoted price, the value to be stated in the Customs Entry should be the prime cost with the freight and insurance added ("c.i.f." value). (2) When the goods are consigned for sale, the value to be given should be the latest sale value of the goods.

PRIME ENTRY FOR BAGGAGE.

Port of..... Station.....

Ex.....@.....

Entered by.....*for Passenger Crew.**

Duty Slip Nos.	Particulars of Goods in Totals. (When numerous items, endorse the details of Nos. and Goods. (Warrant to show quantities in words at length.)	Value £	Duty‡

Date..... *Officer*..... £

* Delete word not required. ‡ Fines not to be entered in this column.

Entry of Goods Free of Duty. If the goods imported are *free* goods (not dutiable) they are entered by what is known as a *free entry*—"Entry for free goods." This form, when filled up with particulars of the marks, numbers, quantity, description, and value of the goods, and accompanied by a *landing order* signed by the collector or other proper officer, should be transmitted to the examining officer on board the ship, or where the goods are landed,

The officer will examine such goods according to the prescribed scale, and if they satisfy the regulations and are "free" of any liability to customs duty this entry will become his warrant for the delivery of the goods mentioned therein.

In any cases of doubtful importations the officer will sample the goods, and submit such samples to the Government Chemist for test and rating, or where any goods contravene the Merchandise Marks Act he will place them under stop, and ask for directions from the Board of Customs and Excise before delivery.

NOTICE OF GOODS DETAINED.

Port: *London.*
Station: *Brewer's Quay.*

9/11/1917.

The undermentioned Goods are detained for the following reason, viz.:—

Entered free, but found chargeable with duty.

A. B. C.

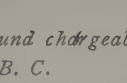
Officer of Customs and Excise.

To Messrs. *H. Perry & Co.*

Ship: *Ortolan.....@ Bordeaux.*

Date of Voyage: *6/11/17.*

Goods: *100 C/s. Grape Must.*

Marks and No.: 

1/100.

Entered by: *H. Perry & Co.*

Date of Entry: *6/11/17.*

No. 125. Importation Code, paragraph 7.

Secretary, Customs, No. $\frac{20817}{1909}$.

Bill of Sight. If the importer has not the full particulars of the goods he must fill up a form called a *Bill of Sight* in which he gives the best description he can of the goods, declaring that he has not received a sufficient invoice, or other advice from whence the quality, quantity or value of the goods can be ascertained. This Bill is signed by the collector and becomes the warrant for provisionally landing the goods, which may then be examined by the Customs Officers in the presence of the importer, and within three days after landing, the importer must make a full or *perfect Entry*, by endorsing upon the *Bill of Sight* all the necessary particulars. This is required whether the goods are free, dutiable, or to be warehoused.

Port..... **OVER-ENTRY CERTIFICATE.** *No*.....

Station.....

This is to Certify that.....of.....did enter and pay duties of Customs, on the days specified, on the under mentioned Goods, viz. :—

WE, the undersigned, have ascertained by an examination of the relative Accounts that the Goods specified in the adjoining columns were over-entered as therein stated, that the several Over-Entries, as well as the granting of this Certificate, have been duly noted in the Official Books, and endorsed on the respective Warrants for such goods, and that the amount of Duty to be repaid is as stated at foot hereof.

..... Officer.

..... { Principal or Surveyor

Custom House, this.....day of

.....19 .

Rotation	† Warrant.			Description of Goods.	Quantity.			Amount of Duty to be repaid		
	Wh'se No.	Coll'ctor's No.	Date.		Entered	Delivered	Over-Entered	£	s.	d.
							Total...			

220

The duty to be repaid, on the Goods over-entered, amounts to.....pounds,.....shillings, and.....pence.

Examined and entered.....19 .

*.....Collector. .....Asst. Accountant and Comptroller-General.

RECEIVED this..... day of .....19 , of the Honourable the Commissioners of His Majesty's Customs and Excise, the sums of.....pounds.....shillings, and.....pence, as above certified.

No. 266. Accounts Code, paragraphs 47 and 230-234, and Importation Code, paragraphs 563-564 and 561A. .....

* Outputs only. Secy. Customs, No. $\frac{8040}{1909}$. † State whether "Ex Ship" or "Home Consumption."

If the **importer** of **dutiable goods,** which are to be cleared at once, has not the full particulars as to quantities of the goods to be landed he makes what is called a *Prime Entry* (sometimes called a Bill of Sight), estimating the amount of duty payable, and delivering it to the collector of customs or other proper officer. This entry and the Ship's Report are checked one with the other. The importer then pays the duty to the collector; and the entry, when signed by him, will be the warrant for landing and delivery; and should be transmitted to the officer in charge of the cargo as his authority to release the goods for examination purposes. When the goods have been landed they will be examined by the Customs officer, and the merchant's payment of duty paid on the prime entry checked. If it is found to be below the correct quantity and amount, a *Post Entry* will be required for the difference, and the extra duty paid before delivery. If it is found to be too high, an "*Over Entry* Certificate" will be issued and the difference repaid. (See Form).

No, 21 (Sale).

H.M.CUSTOMS

BILL OF SIGHT.

Port of Importer.

Wharf, Dock or Station.	Ship's Name.	Whether British or Foreign; if Foreign, the Country.	Master's Name.	Port or Place whence Imported.	Name of Importer or of his Agent.

Marks.	Numbers.	Number of Packages, with the best Description of the Goods the Importer is able to give.

of the Goods above mentioned do herby declare that I have not (or that to the best of my knowledge he has not) received sufficient Invoice, Bill of Lading, or other advice from which the Quality, Quantity or Value of the Goods above-mentioned can be ascertained.

Date ..... day of 19

(Signed) .....

Importer, or his Agent.

(Signed) .....

Collector.

Reverse Side of Bill of Sight.

Port of Importation. Dock or Station

Importer's Name.

Ex @ Date of Report and

In.....of Sight. Customs Rotation No.

Marks.	Numbers, &c.	Number of Packages, quantity and description of goods, in accordance with the requirements of the Official Import List.	Destination.	Value.	Duty. £ s. d.

To the Surveyor,
Sir,
I request an extension of
time from to
in order
to perfect sight.
Pro.
.....

* Place and country of destination in United Kingdom to be shown for Spirits and unmanufactured Tobacco only.

N.B.—The usual declaration must be added in MS. This form is to be adapted or Free or Warehousing Entry.

Entry for Warehousing. The importer of dutiable goods very often does not pay the duty when the goods are landed, but prefers to wait until they are sold or required for use. He therefore arranges to have the goods warehoused without paying duty on their first entry. The Bill of Entry varies slightly from the Entry for Home Use, but is dealt with generally in the same manner. When signed by the officer it becomes a warrant for the due warehousing of the goods, and not for their delivery into the possession of the importer. The Warehousing Entry itself is made out and forwarded to the Officer in charge of the Warehouse A/cs., and a small pink form is sent to the officer in charge of the ship as an authority for delivery. The merchant may weigh and sample his goods while they are in the warehouse, but he cannot take them away until he has paid the duty. He obtains a receipt from the warehousekeeper, and, if he desires, the receipt may be in the form of a *Dock Warrant*. This document may be dealt with as a negotiable instrument, and the goods "in bond" represented by it may be freely transferred between sellers and buyers, by mere endorsement and delivery of the Warrant. This is specially so in the case of chests of Tea.

ENTRY FOR WAREHOUSING.

Collector's No. and Date.

Port *London.*
Dock or Station *Brewer's Quay.*
Importer's Name *Honey.*

573/7/11/17.

Ship's Name.	Date of Report.	Port or Place of Shipment of Goods.
Heron.	*6.11.17/7897*	*Oporto.*

Marks & Nos.	No. of Packages.	Description of Goods in accordance with the Official Import List.	Quantity.	Value £	Name of place whence Goods consigned.
℔ ℔ ℔ *1/5*	*5*	*Casks. Wine @ Oporto*	*550* Gls.	*500*	*Portugal.*
℔ ℔ ℔ *6/7*	*2*	*Hhds. Do. Port Wine C.W.C. Portugal*	*120* ,,	*100*	*Do.*

I enter the above Goods to be Warehoused, and declare the above particulars to be true.

Dated this *6th* day of *Nov., 1917.* (Signed) *R. Honey & Co.,* Importer or his Agent.

573/6/11/17.

Collector—
London Office.

LANDING ORDER FOR DUTY GOODS.

6/11/1917.

To the Officer of Customs on board the Ship *Heron @ Oporto.*

Port. *London Dk.* *Honey.*

Send in charge of an Officer of Customs, to be delivered into the Custody of the proper Officer at *Brewer's Quay.*

Mark.	No.	Description of Packages and Goods.
℔ ℔ ℔	*1/5*	*5 Casks Wine.*
℔ ℔ ℔ *H. & Co.*	*6/7*	*3 Hhds. Wine.*

(*Signed*) *Collector.*

and date stamp.

Upon the **entry of any goods,** two or more duplicates of the entry are required, and these should be furnished by either the importer or his agent. The goods must be described according to their official description in the *Official Import List,* and if they should happen not to be named in that list they must be described, according to their nature, as "manufactured and *un*rated," or "*un*manufactured and *un*rated," as the case may be. The Customs officer decides how many duplicates are to be delivered, and he may also require the production of the Invoice, Bill of Lading, and other documents relating to the goods. The original is called the *Warrant,* and the duplicate is known as the *Bill.* The former becomes, with the Landing Order, the authority to the examining officer to examine and deliver the goods; the latter is subsequently forwarded by the collector or registrar to the Statistical Department, and is there used for compiling the general statements of the British Import and Export trade. Each entry must be carefully written off against the items as reported in the Ship's Report.

Delivery of Goods to the Importer. The release or the delivery of the goods mentioned above refers to the release or delivery from the Customs Authorities supervision, but in order to claim the goods from the shipping company, the Bill of Lading must be given up. Very often the holder of a Bill of Lading presents it to the agents of the shipping company and obtains from them a Delivery Order addressed to the master of the vessel, or to the dock company or wharfingers into whose charge the goods are usually given, or they write the order across the Bill of Lading, in which case the B/L. is given up in exchange for the goods.

Payment of Freight. Before the Delivery Order can be obtained, the freight and any other charges due to the shipping company must be paid. If the goods are landed before the Delivery Order is obtained, the company gives notice to the dock company or the proprietor of the warehouse where the goods are stored to retain them until they receive authority to deliver them.

The **advantage** that trade derives from the system of **Bonded Warehouses** is that goods may be kept for a considerable time unsold, in a secure place and waiting for a favourable market; be bulked, sorted, and packed under proper supervision, before payment of the duties due thereon, and then introduced, in the whole or by parcels, for home consumption, or removed to another warehouse or to another port of the kingdom, or exported, to suit the convenience of the owner, to whom they cause only a trifling outlay for warehousing charges. Practically all British Ports are authorised for the warehousing of dutiable goods, duty unpaid; such ports being appointed by the Commissioners of Customs and the Lords of the Treasury. A complete list of all ports together with the addresses of all bonded warehouses thereat is issued by the Commissioners and amendments are noted, from time to time, as to a port's increased or restricted facilities for dealing with bonded Goods.

The **proprietor** of each warehouse is under bond to the Crown for payment of duty on any goods illegally removed therefrom, in addition to the responsibility to the owner of the goods placed in his charge. Any building which complies with the conditions laid down by the Customs and Excise Authorities, and is approved by them, may be used for the purpose. Such warehouses are kept under Crown locks, except when open for the receipt and delivery of goods. A department of the Customs House at each large port is called the **King's Warehouse,** in which are retained packages not cleared for delivery, owing to any irregularity, or when seized.

Warehoused Goods. A very large quantity of the goods imported are sold at the port of importation. In such cases the importer gives his instructions to one of the dock companies or warehouse keepers, and they obtain delivery on his behalf and prepare them for sale. They weigh or otherwise measure them and sort out any damaged goods, and send to the importer a *Landing Account,* showing all the particulars of the goods, and a *certificate of Survey,* stating the cause of any damages. This document, which is supplied by the dock company's surveyor, is necessary in order to enable the importer to recover compensation from the underwriters for the loss sustained through the damage.

Warehousing. When goods are delivered from the ship's side for examination at another place the following is the procedure:

Free Goods. The merchant passes the usual free Entry (for form of which see page 226), but states on it that he wishes the goods to be examined at another wharf, and specifies such wharf or station. The Officer in charge of the ship, on receipt from the Dock Coy. of a pass certifying that the goods have been delivered to a given lighterman or duly licensed carman makes out the following Lighter Note which is taken by either the Lighterman or Carman to the proper place for Examination. The Officer there has already been supplied with a copy of the entry for the goods and on receipt of the Lighter Note records the time of receipt and date and gives full particulars of his examination on his entry, and returns it together with the Lighter Note to the officer at the station when the ship discharges; the latter subsequently includes the documents in the ship's file when forwarding to Jerquer, who is a Customs Officer specially engaged in searching vessels for smuggled goods.

Dutiable Goods. Much the same practice obtains, except that a different coloured Lighter Note is made out, and the goods either go in charge of a Customs Watcher, or locked craft (while should delivery take place by van a Cart Note is issued as per specimen on page 228), to the station of discharge, for final examination.

LIGHTER NOTE FOR GOODS ENTERED AS FREE.

Delivered into Lighter *Samson* No. *265*

from the Ship *Heron* Rotation or Date of Voyage } *14/7897*

from *Oporto* to be landed at *Cottons Wharf*

of *Lighterman* *100* Packages in charge.

Marks.	Nos.	No. of Packages.	Description of Packages and Goods.	Where lying, Date and Time when Lighter leaves.	Date and Time of Arrival at Quay or Wharf.	No. of Packages.	Over.	Short.	Number and Date of the Warrant.	By whom entered.
1/100	*1/100*	*100*	*C/s. Arsenic.*	*North Quay London Dock 11 a.m. 6/11/17.*	*3 p.m. 7/11/17.*	*100*	—	—	*1743/6/11/17.*	*Whf. Pprs.*

A. B. C. Officer. *D. E. F.* Officer. *7/11/17.*

N.B.—The Officer or Watcher is enjoined to give a correct description of the Packages, and to state where the ship is lying, and the date and exact time the Lighter leaves. This Note to be forwarded to the REGISTRAR'S OFFICE, duly filled up and signed, as soon as possible after the Goods are landed.

Lightermen are strictly prohibited from taking on board Goods from Coasting Vessels for conveyance in the same Lighter with Goods imported from Foreign.

The Lightermen's responsibility for the Packages delivered into their charge will be strictly enforced, and they should ascertain that there are no disputed Packages on giving up charge.

No. 133. Sec. $\frac{2304}{1914}$.

LIGHTER NOTE FOR GOODS NOT ENTERED AS FREE (OTHER THAN TRANSHIPMENT).

Delivered into Lighter *Howe.* No. *314.*

from the Ship *Heron.* Rotation or date of voyage } *6/11/17.* / *7897.*

from *Oporto.* to be landed at *Hermitage Wharf.*

6 Packages in charge of *Lighterman*, under *4* *Crown locks numbered *A37.*

*Fill in the number of locks used.

Marks.	Nos.	No. of Packages.	Description of Packages and Goods.	Where lying, Date and Time when Lighter leaves.	Date and Time of Arrival at Quay or Wharf.	No. of Packages.	Over.	Short.	Number and Date of the Warrant.	Are the goods reported.	Observations.
R.W.G.	*1/3*	*3*	*Casks Wine*	*N. Quay, London Dk. 6/11/17. noon.*	*6/11/17. 3 p.m.*	*6*	—	—	*673 5/11/17.*	*Yes.*	—
A.W.G.	*4/6*	*3*	*,, ,,*								

A. B. C. Officer. *H. A. S.* Officer.

N.B.—The Officer or Watcher is enjoined to give a correct description of the packages, and to state where the Ship is lying, and the date and exact time the Lighter leaves. This note to be forwarded to the REGISTRAR'S OFFICE, duly filled up and signed, as soon as possible after the Goods are landed.

Lightermen are strictly prohibited from taking on board Goods from Coasting Vessels for conveyance in the same Lighter with Goods imported from Foreign.

The Lightermen's responsibility for the packages delivered into their charge will be strictly enforced, and they should ascertain that there are no disputed packages on giving up charge. The dip of each cask on long ullage received into craft should be recorded on the Lighter note before the craft leaves for its destination.

The Warehouse-keeper's or Wharfinger's receipt for the goods, stating the total number of packages in words at length, is to be obtained on the back of this Note at the time of unloading at the Warehouse or Wharf.

No. 131. Sec. $\frac{28963}{1913}$.

CART NOTE.

Station : *N. Quay, London Dock.* *6/11/17.*

Ship : *Heron.* *@ Oporto.*

Reported : *6/11/17./7897* Caravan No. *6.*

Time van leaves Station : *10 a.m.* Load No. *1.*

Marks.	No.	Description of Packages and Goods.
Royal Duke.	*1*	*One Cask Wine.*
	under	*Crown Lock A 23.* *Entered by T. Jones.*

To Warehouse, *St. Kaths. Dock.*

Received, *6/11/17, noon.*

Customs and Excise Officer—*A.B.C.* *1917.*

NOTE.—The Carmen's responsibility for the packages delivered into their charge will be strictly enforced and they should ascertain that there are no disputed packages on giving up charge.

No. 575. Warehousing Code, paragraph 213.

Sec. $\frac{288}{1914}$.

When the Goods are brought to account it may be necessary to remove them from one port to another still under the supervision of the Revenue Officers, and the following forms are used :—

(1) Removal, Warrant, (page 229).

(2) Dispatch, (page 231).

Bond must be entered into by the firm removing, so that any loss in transit in excess of the regulation allowance must be made good and duty paid forthwith, and also that in case the packages go astray the Crown shall not suffer loss.

The Dispatch is the document sent by the Officer in charge of one set of Accounts to the Officer at the place where the goods are to be removed; the latter will examine the packages on receipt, enter them in his books of account and inform the dispatching officer of the safe receipt into Bond in due course.

WET GOODS FOR REMOVAL.

Warehouse *London Dock.*
Number *194.*
Month and Year *Nov., 1917.*

Ship and date of Importation or Customs Rotation and Year } *Balgownie* $\frac{05}{7421}$ Bonder's Name } *Rouyer & Co.*
Country whence Goods were Consigned when imported } *Charente c.w.c. France.*
Number and Description of Packages and Goods } *One Hhd. Brandy.*

LANDING ACCOUNT.								RE-EXAMINATION.									
Register and Folio	Import Marks and Numbers	Content	Ullage	Hydromr. Strength	Obscuration	Actual Strength	Proof Gallons	Bung	Wet	Ullage	Temperature	Indication	Hydromr. Strength	Actual Strength	Proof Gallons	Deficiencies Alld.	Deficiencies Chrgd.
74 / 115	4 Grapes 1 1	63	63·0	u / 24·0	3·5	u / 20·85	50·1	28·0	28·0	63·0			u / 24·0	20·5	50·1	Nil	

Advised Det. No. 46. 6/11/17. *Wood 3/4"* *Signature of Officer and Date.*

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II. Warehousekeeper's Order.

Warehouse Number *194.*
Month and Year, *November, 1917.*

To the Warehousekeeper at *London Dock.*
Deliver the undermentioned for Removal to *Metropolitan Vaults.*
Remover—*Rouyer.*

Ship and date of Importation, or Customs Rotation and date.	Bonder's Name.	Number of Packages in words with description of goods.	Landing Marks and Numbers.
Balgownie. Charente. $\frac{05}{7421}$	*Rouyer*	*One Hhd. Brandy.*	*4 Grapes.* 1 1

THE ADDRESS OF THE CONSIGNEE is NOT to be written on the Official Card; nor is it to appear on any package delivered by virtue of this Order.

Signature of Officer of Customs and Excise, and Date.

(*This form is the reverse side of Form on the preceding page.*)

WET GOODS FOR REMOVAL.

I. WARRANT.

Collector's No. *841.* Date, *5/11/17.*

Station: *London Dock.*

Notice is hereby given by *M. Rouyer*

of *125 Amen Corner E.C.*

to remove (under General Bond dated *14/10/17.*) by

[conveyance] *Cart or Van* to (Customs) *Metropolitan Vaults* Warehouse

at *Minories, E.* to be removed by Licensed Carman *Dutfield,*

[Quantity and description of goods in words] *Sixty proof Gallons in Bulk Brandy, @ France,* liable to the duty of *£45*

Consignee—*Rouyer.* Signature of Remover or his Agent—*Rouyer & Co.*

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This is to Certify that Bond has been given for the due arrival and re-warehousing as above, within *two* days from the delivery of the Goods.

Name of the proposed Surety.....

Occupation .....

Address .....

..... {Collector or Clerk of the Bonds.

For Warehousing Particulars see endorsement. Port.....Date.....19

No. 498 { Accounts Code, par.: 207.
Warehousing Code, pars.: 521—526.
Secy. Customs, $\frac{2348}{1907}$.

CUSTOMS AND EXCISE.

Despatch for Dry Goods.

Excise No. 524.

Port or Collection } *London.*
Station *Fresh Wharf.*
Station Number *4.*
Month and Year } *Nov., 1917.*

SIR,

The undermentioned Goods have been this day delivered from *Fresh Wharf A.*

†NOTE:—Insert Port or Station.

Warehouse in this † *Port* under the Bond of *A. Jones.*
for removal to *Leith, (A) Warehouse.*
to be rewarehoused within *3* days
Consignee *A. McDermott.*
Mode of Transit *Rail.*
Value *£50.*

100 C/s. Currants

R.O.S., Officer.
6/11/17. Date.

To the *Officer of Customs and Excise, Leith, A. Warehouse.*

Rotation Date.	Marks & Nos.	Country whence goods were consigned when imported.	Gross.	Tare.	Net.	Rotation Date.	Marks & Nos.	Country whence goods were consigned when imported.	Gross.	Tare.	Net.
14/7321	*4 Crowns 1/100*	*100 C/s. Currants Greece.*	c. q. lb. *25 0 0*	c. q. lb. *1 0 0*	c. q. lb. *24 0 0*						

The terms of the Bond to be written in large letters.

Customs No. 515.

Warehousing Code, pars.: 560—571.
Secretary Customs No. 6877/1909.

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Ledger No. 7. Folio 141.

I. WARRANT—WET GOODS FOR HOME CONSUMPTION.

Collector's { No. 231. / Date 4/11/17.

Port or Collection *London.*
Station *London Dock.*
Number *23.*
Month and Year *5/11/1917.*

To the Officer in charge of *West Quay.*
Notice is hereby given to deliver the undermentioned *one cask Wine Port @ Portugal.*
S/S Cork. 14/3123.

Signature of Proprietor or his Agent *J. Brad.*
Address *43 Great Tower Street, E.C.*
Date *5/11/17.*

Landing or Warehouse Account (to be filled in by the Merchant).										Re-examination.							
Bonder's Name. Rotation, Date.	Marks and Numbers.	Content	Ullage	Obscuration	Actual Strength	Proof Gallons	Register and Folio.	Difference for—when warehoused on measurt.	Number of samples taken since last warehoused	Whsg. Code para. 496. Bung	Whsg. Code para. 496. Wet	Ullage	Hydrometer Strength	Actual Strength	Proof Gallons.	Deficiencies Allowed	Deficiencies Charged	Warrant Book and Folio
Brad. 14/3123	*A.F.&Co. 1895. 5*	*57*	*56·0*		*NE42°*	*56*	*7/141*			*26·3*	*23·8*	*56·0*		*NE42°*	*55*	*1*	—	*14/256*

	£	s.	d.
Duty at *3/-* per gallon.....	*8*	*5*	*0*
Bottling Charges	-	-	-
Total	*£8*	*5*	*0*

Signature of Officer and Date.
Received the sum of *eight* pounds *five* shillings and —— pence.
A.B.C. Collector of Customs and Excise.

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II. MEMORANDUM TO BE RETAINED BY COLLECTOR.

Collector's { No. 231. / Date 4/11/17.
Station *London Dock, West Quay.*
Paid by *Brad.*
Description of Goods *Wine @ Portugal.*

	£	s.	d.
Duty	*8*	*5*	*0*
Bottling charges	-	-	-
Total	*£8*	*5*	*0*

C. and E. No. 495.
Warehousing Code, paras. 496—505.
Sec. 40236/1912.

NOTE.—If the duty is paid on Gross Payment Receipt this Memorandum is not required and should be detached.

III. WAREHOUSEKEEPER'S ORDER.

Station Number *23.*
Month and Year *5/11/1917.*

To the Warehousekeeper at *West Quay, London Dock.*
You may deliver the undermentioned goods, provided that they are actually removed from the Warehouse before any addition has been made to the duty chargeable.

Number and description of Packages and Goods in words.	Bonder's Name.	Rotation and Year.	Marks.	Numbers	Date of delivery (to be filled in by the Warehousekeeper).
One Cask Wine	*Brad.*	*14/3123*	*A.F.&Co. 1895*	*5*	*5/11/14.*

Brad Name of Firm paying Duty.

Signature Officer of Customs and Excise.

——————Date.

SAMPLING ORDER FOR DRY GOODS.

Port of..... Warehouse, No. .....

Ship's Rotation No. .....

Merchant .....

Goods .....

Landing Marks and Number.	Weight of Sample.	Landing Marks and Number.	Weight of Sample.

Permit Samples from the above to be drawn and delivered.

Assistant – *Warehouse Keeper.*

No. 522.

Dock Warrant. As before stated, when goods are warehoused, the importer obtains a receipt for the goods from the warehouse-keeper, and, if he desires it, the receipt will be given to him in the form of a Dock Warrant, or he may obtain several warrants, each representing a certain quantity of the goods which will be put down as one "lot" on the broker's catalogue for sale. It is negotiable in that it may pass from hand to hand by endorsement and delivery, but it is not strictly a negotiable instrument in the same sense as a Bill of Exchange, as the holder has no better title to it than the party from whom he got it had. It must bear a threepenny stamp, which may be either impressed or adhesive.

DOCK WARRANT.

London & St. Catherine Docks Company.

No. 856. New Street Warehouse.

Rotn. Nos. { Customs 8972 / Dock 5634 } *10th August, 1917.*

Warrant for 50 Bags Coffee.

Per S.S. "*Beatrice.*" Master *Johnson* from *Bombay.* Entered by *T. Collinson & Sons, Ltd.,* on *9th August, 1917.* Rent commenced on *9th August, 1917.*

Mark.	Numbers.	Weight.	
		Gross.	Tare.
T.C.S.	1/50	26 3 5 1 2 5	1 2 5
		25 1 0 Net	

Examined and entered in Ledger No. *11.* Folio *250.*
N. Crowther, Clerk. *E. Crossley,* Ledger Clerk.

Deliver the above goods to *Messrs. T. Collinson & Sons, Ltd.,* or assigns, as by Endorsement hereon.
L. Wilson, Warrant Clerk.

This Warrant must be presented at the General Office. It must be regularly assigned by Endorsement and all charges must be paid before delivery of the goods can take place.

Delivery Order. If a Dock Warrant has not been issued for the goods the warehouse keepers will deliver the goods to any person on receipt of the owner's Delivery Order, which is negotiable in the same sense as a Dock Warrant.

Broker's Account Sales. The Broker to whom the sale of the goods has been entrusted, sends to the importer, immediately after the sale, an account of the sales, called the Broker's Account Sales, showing the amount realised and the expenses of the sale deducted therefrom. The importer must then send the warrants to the broker if he has not already done so. In most instances the brokers receive payment from the buyer upon handing the warrants to them, and after the date fixed ('prompt') as the last date for taking the warrants and paying the amounts due, he sends the amount realised by the sale, which is the net amount on his A/c.

BROKER'S ACCOUNT SALES.

Account Sales *of 50 Bales Egyptian Cotton ex Steamer "Sphinx" from Alexandria, sold by auction on 23rd August, 1917, by order and for account of Messrs. William Smith & Co.*

Lot.	Bales.	Marks.	Cwts.	Qrs.	Lbs.		
25	50	J.W.C.	169	2	18	*Gross.*	
			11	1	8	*Tare and Draft.*	
			158	1	10 = 17734 lbs. @ 5d.		£369 9 2
						Sale Expenses ... - 12 6	
						Brokerage ½% 1 16 11	2 9 5
							£366 19 9

London, 24th August, 1917.
Thompson & Sons.

Consignments. When the importer receives the goods to be sold on behalf of the *consignor* abroad, they are said to be sent and received *on Consignment.* The importer is called the *consignee.* The consignor generally sends to the consignee an invoice, known as a *consignment invoice,* which is in reality a *pro forma invoice,* that is, it is more as a matter of form, and serves the purpose of satisfying the requirements of the Customs, and as a guide for the sale of the goods. The difference between a Consignment Invoice and an ordinary Invoice from abroad is in the heading, which is generally similar to the following :—

> *Invoice of 100 casks Butter* shipped at *Kiel per S.S. Berlin to Hull,* and consigned to Messrs. John Williams & Co. for Sale on account and risk of Jan Schrempft & Co.

Account Sales. When the goods are sold, and, in the case where they are sold through a Broker, when the importer has received the Broker's A/S., he sends to his principal, the consignor, an account of the sales or Account Sales, in which he credits the consignor with the price obtained for the consignment, and debits him with all proper payments he may have made in respect thereof, and also with the commission due to him (the importer). The consignee of a consignment is paid a commission for attending to the shipping and customs formalities and effecting the sale. The balance represents the *net proceeds* due to the consignor from the consignee and is either settled by means of a Bill of Exchange sent with the A/S., or where there is a running account between the parties, it is entered into that account.

AGENT'S ACCOUNT SALES.

Account Sales *of 50 Bales Egyptian Cotton ex Steamer "Sphinx" from Alexandria, sold by auction on 23rd August, 1917, for account of Messrs. John Williamson & Co., Alexandria.*

		Cwts. Qrs. Lbs.		£ s. d.
J.W.C. 1/50	50 Bales	169 2 18	Gross	
		11 1 8	Tare & Draft.	
		158 1 10 = 17734 lbs.	@ 5d.	369 9 2

Charges:	£ s. d.	
Freight on 19002 lbs. @ ⅜d. & 10%	32 13 3	
Fire Insurance £350 @ 5/- % ...	17 6	
Dock Dues	5 - -	
Sale Expenses	12 6	
Brokerage ½%	1 16 11	
Commission 2½%	9 4 9	50 4 11
		£319 4 3

London, 25th August, 1917.
Wm. Smith & Co.

The Revenue of the State. The source of the revenue of the State may be divided into nine great headings. The figures given below show the receipts from these heads for the Government year from 6th April, 1912, to 5th April, 1913.

Revenue 1912-13.

Customs	£33,517,000
Excise	38,063,000
Stamps & Estate, &c., Duties	35,307,000
Land Tax & House Duty	2,700,000
Property & Income Tax	44,806,000
Land Value Duties	455,000
Post Office, Telegraph & Telephone Service	29,175,000
Crown Lands	530,000
Receipts from Suez Canal Shares, Sundry Loans & Miscellaneous	4,345,000
Total	£188,898,000

Customs and Excise Duties. From the above figure it will be seen that nearly one-sixth of the total revenue of the State is derived from *Customs Duties,* which are taxes imposed on certain goods imported into this country from abroad, and even a larger sum is received from *Excise Duties,* which are taxes imposed on certain articles *produced* in this country; and licence duties, including licences to sell Beer and Spirits; and Game, Gun, Dog, Carriage, &c. licences.

The Customs Tariff. One of the most important documents connected with the Customs is the Tariff; that is, the schedule of duties imposed by the Customs authorities. In Great Britain the duties imposed on goods imported are for *revenue,* and not for the purpose of *protecting* any industry, hence our tariff is probably the smallest tariff in the world.

It will be seen that the principal commodities upon which customs duties are levied are Alcoholic Liquors and other preparations containing spirit, or in the manufacture of which spirit is used; also Tea, Coffee, Cocoa, Tobacco, Dried Fruit, Sugar and goods containing sugar. It will also be noted that all the duties are *Specific, i.e.,* they are a fixed amount based upon a fixed *quantity, i.e.,* so much per lb. or per gallon, &c. In many other countries the duty is *ad valorem, i.e.,* according to the value, a percentage on the value of the commodity; in some countries both classes of duty are imposed, and even imposed on the same article.

THE BRITISH CUSTOMS TARIFF.

Articles.	Rates of Duty. £	s.	d.	
Cocoa	2	2	-	per Cwt. to
			4½	,, Lb.
Coffee	2	2	-	,, Cwt. to
			6	,, Lb.
Chicory	1	19	8	,, Cwt. to
			6	,, Lb.
Fruit, Dried		2	-	,, Cwt. to
		7	-	,, ,,
Tea		1	-	,, Lb.
Sugar		4	6	,, Cwt. to
		9	4	,, ,,
Molasses		2	1	,, ,, ,,
		5	11	,, ,,
Glucose		4	3	,, ,, ,,
		5	11	,, ,,
Saccharin		2	-	,, Oz.
Tobacco, manufactured, viz.:—				
Cigars		10	6	,, Lb.
Cavendish or Negrohead		8	-	,, ,,
Cavendish or Negrohead, Manufactured in Bond		7	-	,, ,,
Other Manufactured Tobacco		7	-	,, ,,
Cigarettes		8	6	,, ,,
Other Sorts		7	-	,, ,,
Snuff containing more than 13 lbs. of moisture in every 100 lbs. weight thereof		6	7½	,, ,,
Snuff not containing more than 13 lbs. of moisture in every 100 lbs. weight thereof		8	-	,, ,,

	£	s.	d.	
Unmanufactured, viz. :—				
Containing 10 lbs. or more of moisture in every 100 lbs. weight thereof				
If unstemmed or unstripped..		5	6	per Lb.
If stemmed or stripped		5	6½	,, ,,
Containing less than 10 lbs. of moisture in every 100 lbs. weight thereof				
If unstemmed or unstripped ..		6	1½	,, ,,
If stemmed or stripped		6	2	,, ,,
Wine		1	3	,, Gallon to
		5	6	,, ,,
Beer.....	1	5	6	,, 36 Gallons to
	5	19	6	,, ,, ,,
Spirits, Imported		15	1	,, Proof Gal. to
		16	2	,, ,, ,,
Liqueurs, Cordials and Mixtures (untested) and Perfumed Spirits, &c...	1	1	5	,, Liquid Gal. to
	1	5	1	,, ,, ,,
Chloroform		4	4	,, Lb.
Chloral Hydrate		1	9	,, ,,
Collodion	1	14	11	,, Gallon.
Confectionery			10	,, Cwt. to
		7	-	,, ,,
Ether		2	7	,, Lb. to
	1	16	6	,, Gallon.
Ethyl		1	5	,, Lb. to
	1	1	10	,, Gallon.
Soap, Transparent (Spirit).....			3	,, Lb.
Cards, playing		3	9	,, Doz. packs.
Motor Spirit			3	,, Gallon.

A Customs House is the place appointed by the Government for the entering of goods for importation and exportation and where the duties on such goods are paid, also where vessels are *cleared*. The central office for the Kingdom is at the Custom House in London, connected with which are other offices situate in all the important seaports.

HIS MAJESTY'S CUSTOMS.

Port of *London*.

INWARD CLEARING BILL AND CERTIFICATE OF SHIP'S SURPLUS AND PRIVATE STORES, &c.

(To be kept on board and produced to the Officer of Customs whenever required. A duplicate is to be sent to the Custom House).

I hereby Certify, that I this day cleared Inwards the Vessel *Oakwood, Lloyd* Master, from *Buenos Ayres*, and left on Board the undermentioned Articles, which are not to be landed without payment of Duty, nor without the sanction of the proper Officer of Customs.

If the Vessel proceeds Coastwise, all Surplus Stores of the Ship, and Private Stores placed under Seal, and any Copyright Works allowed to remain on board, must be produced intact to the proper Officer at the Port of arrival. Any Live Stock cleared on board must also be properly accounted for. The Customs Seals must not be broken.

	Ship's Surplus Stores.		Private Stores. (Importation Code, paragraph 1016.)	
	In Use.	Under Seal (A 41).	Under Seal.	
Tobacco, cav.	.....lb.	.....24lb.	.....2½lb.	.....
„ O.S.	..... „	..... „	..... „	.....
„ Unmfd.	..... „	..... „	..... „	.....
Cigarettes	..... „	..... „	..... „	.....
Cigars	..... „	..... „	..... „	.....
Spirits	..... galls.	.....2⅛ galls.	.....galls.	.....
Cordials or Liqueurs	..... „	..... „	..... „	.....
Perfumed Spirits	..... „	..... „	.. $\frac{5}{100}$ths. „	.....
Saccharin	.....ozs.	..... ozs.	.....ozs.	.....

Sundry Low Duty Goods. 23½-*gls. Lime Juice.*

Copyright Works, *Nil.* Live Stock, *One dog, Collie, black and white.*

Low Duty Goods need not be definitely enumerated, it being sufficient to indicate as follows:—"Sundry low duty goods in use" or "under seal" as the case may be—any large quantities of goods such as Tea and Wine not immediately required should be placed under Seal.

Signature of Preventive Officer,
and Date.....191

No. 569, Importation Code, paragraph 1016.

Secy. Customs. No. $\frac{12397}{1906}$

DEBENTURE for Articles Exported as Merchandise on which Drawback is claimed under the Finance Acts, 1901 and 1911.

Port of ..... No. .....

THIS IS TO CERTIFY that of did ship on board the Vessels named and on the dates specified the under-mentioned quantities and descriptions of Goods, satisfactory evidence of such shipment having been produced.

..... } Collector / Surveyor or / Accountant-General's Officer. .....Export Officer.

I

do hereby declare that the goods specified in this Debenture have been actually exported, and have not been relanded, and are not intended to be relanded in any part of the United Kingdom, and that

at the time of entry and shipping w and continue to be entitled to the drawback thereon.

.....
(*Signature.*)

Signed and declared this day of 191 in the presence of

.....
(*Signature.*)

.....
(*Qualification.*)

NOTES.—*Any person making a false declaration in any matter relating to the Customs, 'renders himself liable to a penalty of £10 under the Customs Law.*

Payment of Drawback cannot be made after the expiration of two years from the date of shipment of the goods.

Ship, Destination, and number and date of Shipping Bill.	British Manufactured Goods entered.			Quantity of Goods entitled to Drawback.	When shipped.	Amount of Drawback. £ s. d.
	Quantity.	Description.	Rating.			
As per Continuation Sheets numbered.....					From .....191 To .....191 both dates inclusive. Total	

The Drawback on the Goods above specified amounts to pounds shillings and pence.

.....Collector.

Examined and entered.....191 191

.....for Accountant and Comptroller-General.

RECEIVED this day of 191 of the Honourable Commissioners of His Majesty's Customs and Excise, the sum of pounds shillings and pence, in full of this Debenture.

.....

No. 316. Exportation Code, par. 164. Sec. 13299 1914

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Drawback. When duty has been paid on an article imported and that article is afterwards exported, the duty is repaid by the Government either wholly or in part, such repayment being termed *Drawback*. A claim for drawback must be presented before shipment of the goods, by appending to the *Shipping Bill* a declaration to that effect. The principal advantage of the system of drawbacks is that it facilitates competition abroad by enabling home producers and merchants to sell dutiable goods in the foreign markets on the same terms as if they were free from duty. The payment of *Drawbacks* is effected by Debentures or Custom-House Certificates specifying the amount of drawback due on goods exported. *Debentures* are granted when the exportation of goods, duly entered to that effect, is actually completed and ascertained.

Contraband. All commerce carried on contrary to the laws of the State. The term is applied more particularly to contraventions of the revenue laws, which prohibit or restrict the importation of foreign merchandise. Such a particular contravention is popularly called smuggling; the name contraband is applied, however, to merchandise itself when made the subject of smuggling.

TEST PAPER 23.

1. Give in order of importance the countries with the largest import and export trade.
2. From which four countries do we import the largest percentage of goods, and to which four countries do we export the largest percentage of goods?
3. Of what are the British imports and exports mainly composed?
4. Account for the fact that the British imports far exceed the exports.
5. Define Ship's Report, Bill of Sight, Post Entry.
6. What are Bonded Warehouses, and what are their advantages?
7. What is a Dock Warrant; is it a negotiable instrument?
8. What is the difference between a Consignment Invoice and an ordinary Invoice?
9. Make out an Account Sales of 50 Barrels Coffee ex "Coriander" from Kingston, Jamaica, sold by Barnes & Batwing, Liverpool, on account of Messrs. James Sheard & Co., Kingston. Gross weight 96 cwts. 2 qrs. 8 lbs.; Tare, 9 cwts. 2 qrs. 12 lbs.; Draft, 2 cwts. 1 qr. 8 lbs. Sold at 68/- per cwt. Charges: Entry, Dock and Town Dues 13/-; Marine Insurance on £350 @ 10/- per cent. and stamp; Freight on 96 cwts. 2 qrs. 8 lbs., @ 47/6 per ton of 20 cwts.; Cartage and Porterage £1 3s. 6d., Consolidated Rate, £4 17s. 3d.; Fire Insurance, 6/-; Auction expenses, 8/4; Bank Commission and Interest on Charges, 9/-; Commission and del-credere @ 2½%.
10. What is the difference between Customs and Excise duties?
11. What is *ad valorem* duty; are the British duties *ad valorem*?
12. Define Customs House, Drawback, Contraband.

EXPORTATION OF GOODS.

Indents or Orders. Goods exported from the United Kingdom are generally in execution of orders received from abroad and not usually "on consignment." The orders are very often received by cable, and confirmed in writing; they are generally termed *Indents,* and contain very full particulars of the goods ordered, the mode of making up and packing, the marks, shipment, insurance, port of destination, and method of payment. In some cases the Indents are sent direct to the merchant or manufacturer, but large numbers of Indents are sent to firms of commission merchants, who make it their business to obtain the goods from the manufacturers, and attend to the packing and forwarding. In other instances they have the goods sent to a firm of packers. It is a common occurrence for these commission merchants to receive Indents by the same mail for Woollen goods, Cotton goods, Silks, Carpets, Wines & Spirits, Jewellery, and a variety of other goods. On receipt of the Indent the export merchant would send orders to the different manufacturers of the goods, giving them all the necessary instructions.

Specimen of Indent from Venice.

Indent No. 4567. *Venice, 10th August, 1917.*

To Messrs. A. Beyer & Co.,
Leeds.

From **Campioni & Co.**

Gentlemen,

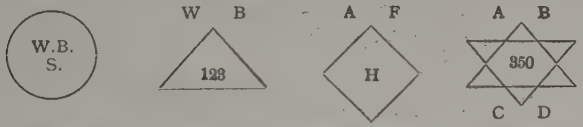
Please ship to us the under-mentioned goods.

Goods - *20 pieces 56in. Black Wool Italians—27/8 yards each; 10 pieces pattern 245. 10 pieces pattern 322.*
Price - *245 at 1s. 3d. yard. 322 at 1/8½d. yard.*
Patterns - *¼ yard each quality.*
Delivery - *4 weeks.*
Make-up - *Each piece in Cotton Tillots—plain Tickets.*
Packed - *In 1 case tin lined.*
Invoices - *In Triplicate.*
Marks - *C.C. 297 (Measurement of case marked on.) Venice.*
Insurance - *Effected by you.*
Forward - *Per Steamer from Liverpool.*

Making up and packing the goods. Great care must be exercised in following closely the instructions for making up and packing the goods for abroad. In some countries purchasers are greatly influenced in their selection by the outside appearance of the package in which the goods are enclosed. For instance, certain textiles for the Indian markets have very elaborately designed

tickets and labels, and each piece is enclosed in a fancy linen wrapper, called by some "tillots." In some instances very expensive designs are printed on the wrappers, which may be in two or three colours. Many kinds of goods can only be packed in boxes or cases, but textiles may be packed in bales or cases, as required by the foreign buyer. The order generally states how many pieces are to be packed in one bale or case. When packed in bales the outer covering usually consists of a sheet of glazed brown paper next to the linen tillots, then a sheet of canvas, followed by a layer of waterproof material, which is generally in the form of tarpaulin or oiled-cloth, and then another sheet of canvas. In many cases boards are placed on the top and the bottom, the full size of the packages, and in others only lags of wood at the four corners, to prevent the ropes or hoops, which are put round the bales, from damaging the pieces. The whole is generally pressed down to a certain size by hydraulic pressure, the canvas being stitched, and the ropes or hoops fastened while under the pressure, the extent of which depends on the kind of goods being packed. The cases in which textiles are sometimes required to be packed are generally lined with tin, the lid being soldered on so as to render the cases waterproof.

Marking. Packages for abroad are marked with distinctive marks and numbers. Very often the initials of the buyers or the initials of the makers are enclosed in some device, and the name of the port of destination added below the mark, with a number. The following are a few examples of the marks used :—



Calcutta	Bombay	Rio Janeiro	Quebec
123	456	78	90

The designs are generally cut out of a sheet of tin, this stencil being laid on the package and the mark painted through the stencil with some quick drying ink. The letters are made of composition and are used in the same way as an ordinary india-rubber stamp with a large pad. Very often the packages are marked with their measurements, and sometimes their weight.

Forwarding Goods for Shipment. If the goods are forwarded by a firm in an inland town, they are usually sent to the port from where the vessel is sailing to a Shipping Agent, who attends to all the customs formalities, has the goods put on board, and obtains the Bills of Lading. The exporter sends an **Advice Note** to the Shipping Agent, giving the name of the vessel by which they are to be shipped, the dock or port to which they are sent, the weight and measurements of the packages, and the value of the goods; all these details being required in filling up the requisite customs forms.

Advice Note.

To Messrs. Wilson Bros. & Co.	From Henry Smith & Sons,
Shipping Agents,	Aire Street,
Hull.	Leeds, 27th August, 1917.

We have this day forwarded the goods as below, per *L. & Y. Rly Co.* to *The Humber Dock* for shipment per S.S. *Princess Victoria* to *Hamburg*. Bills of Lading to be made *to our order*.

Marks.	Nos.	Pkgs.	Contents.	Yds.	Value.
H.S.	1/10	10	Heavy Woollens	3200	£800
			Measurements.	Weights.	
			3ft. 10in. × 2ft. 6in. × 1ft. 8in.	35 1 14	
Hamburg.					

As soon as the Shipping Agent had attended to the Shipping of the goods he would obtain and forward the B/L. to the exporters together with a **Freight Note**, containing particulars of freight charges, carriage, cartage, dock dues, B/L. and their commission for the services rendered. When the exporter requests the Shipping Agent to effect Marine Insurance on the goods, the premium is also charged in the Freight Note.

Specimen of Freight Note.

Liverpool, 6th September, 1917.

Messrs. A. Beyer & Co.,
Leeds.

Dr. to *JOHNSON & CO.*,
Shipping Agents.

Marks.	Particulars.	Measurements.	Weight	Rate.	£	s.	d.
C.C. Venice 297	1 Case	14ft. 2in.		27/6 & 10%		10	9
	Carriage						
	Cartage						4
	Dues						6
	Bills of Lading					1	6
	Commission					2	0
					£	15	1

3 Bills of Lading enclosed.

A **Shipping Note,** which states to whom the dock dues, &c., are to be charged, would be sent by the Shipping Agent to the carriers to accompany the goods to the dock or to the Commanding Officer of the vessel. Shipping agents generally have an account with the Dock Company with whom they make a deposit, and the charges are debited to this deposit account, thereby saving the trouble of making a number of small payments.

Shipping Note.

HULL, 30th August, 1917.

To the
Superintendent of the Humber Dock,
Please receive and ship per S.S. *Princess Victoria* for Hamburg.

Marks.	Nos.	Quantity and Description of Goods.			
H.S.	1/10	10 Bales.	Heavy Woollen Goods.		
			Cwts.	Qrs.	Lbs.
		3ft. 10in. × 2ft. 6in. × 1ft. 8in.	35	1	14
Hamburg.			Wilson Bros. & Co.		

Charges to our Deposit Account.

Freight is charged in several ways—Per ton measurement, viz., 40 Cubic feet, per ton weight, per package and per bushel. The usual way of quoting freight is "weight or measurement" (W/M.). Ships option—that is to say, if the package or packages measure more than 40 c/f. to the ton weight, freight is charged on the measurement; if the goods weigh over a ton weight to the 40 c/f., freight is charged on the weight. For example, if a case measures 27ft. 0in. and weighs 13 cwts. 3 qrs., it is charged by the weight as 27ft. @ 20/- per 40 c/f. = 13s. 6d. and 13 cwts. 3 qrs. @ 20/- per ton = 13s. 9d. If a case measures 16ft. 8in. and weighs 7 cwts. 3 qrs., it is charged by the measurement as 16ft. 8in. @ 20/- = 8s. 4d. and 7 cwts. 3 qrs. @ 20/- = 7s. 9d.

Goods are measured on the quay by the wharfinger and the dimensions extended by tables and these measurements form the basis on which the freight is calculated.

To ascertain the number of cubic feet, &c., in a package, such as a case or bale, the outside measurements are taken, and are multiplied together in feet and inches and twelfths of inches by duodecimals or by fractions. Thus, the two methods of ascertaining the cubical contents of a bale 3ft. 10in. × 2ft. 6in. × 1ft. 8in. are as follows:—

By duodecimals.

3·10	or	3·10
2· 6		2· 6
7· 8		1·11·0
1·11·0		7· 8
9· 7·0		9· 7
1· 8		1· 8
9· 7		6· 4·8
6· 4·8		9· 7
15·11·8		15·11·8

= 15 Cu. ft. 11 primes 8 seconds.

By fractions.

$3\frac{5}{6} \times 2\frac{1}{2} \times 1\frac{2}{3}$

$\frac{23}{6} \times \frac{5}{2} \times \frac{5}{3}$

23
25
115
46
36)575($15\frac{35}{36}$ ft.
36
215
180
35

This would be reckoned as 16ft.

Shipping Companies generally charge 10% **Primage** in addition to the freight. Originally this was an allowance made by the

shipper to the captain of a vessel for the use of the tackle and gear used in loading and unloading cargo; it is now simply an addition to the quoted rate of freight, which is generally quoted, say, 30/- and 10%.

To **ascertain** the **amount** of **freight** on any given packages the cubic measurement of one package is multiplied by the number of packages and the total cubic measurement is multiplied by the rate of freight, plus the 10% primage; or multiplied by the rate of freight and the 10% added for the primage. The latter method is generally the easier, thus, the freight on 10 Bales 3ft. 10in. × 2ft. 6in. × 1ft. 8in. @ 30/- and 10% per steamer ton, would be ascertained first by the methods above for one bale, viz. :—16ft. × 10ft. = 160ft. divided by 40ft. (because there are 40 *Cubic* feet in a measurement ton) = 4 tons. 30/- × 4 = 120/- × 10% = 132/- = £6 12 0.

20 Cases 3ft. 4in. × 2ft. 3in. × 1ft. 6in. @ 27/6 and 10% per steamer ton.

3	4			27	6
2	3				$5\frac{5}{8}$
	10	0		137	6
6	8			17	$2\frac{1}{4}$
7	6	0		154	$8\frac{1}{4}$
1	6			15	$5\frac{6}{10}$ 10%
3	9	0		170	$1\frac{17}{20}$
7	6			£8	10 2
11	3				
20					
40)225					
$5\frac{25}{40}$ Tons.					

The following is a method of **calculating freight** adopted by many shipping offices and is the one recommended. The total measurements are not reduced to tons and fractions but are left in cubic feet and twelfths of a cubic foot. As there are 40 cubic feet in a ton, @ 40/- a ton each foot equals a shilling, and each inch a penny, then by practice the calculation for any rate can be made; thus take the above example of 20 cases = 225 cu. ft. @ 27/6 and 10%.

			s.	d.
At 40/-	equals		225	0
At 20/- = $\frac{1}{2}$	,,		112	6
,, 5/- = $\frac{1}{4}$	,,		28	1·5
,, 2/6 = $\frac{1}{8}$	,,		14	0·75
			154	$8\frac{1}{4}$
10%	,,		15	$5\frac{3}{4}$
			170	2 = £8 10 2

Or for another example, say 10 Bales each 3ft. 6in. × 2ft. 9in. × 1ft. 6in. = 14.5 × 10 = 144ft. 2in. @ 52/6 and 10%.

		s.	d.	
At 40/-	equals	144	2	
„ 10/- = ¼	„	36	0½	
„ 2/6 = ¼	„	9	0½	
		189	3	
10%	„	18	11	
		208	2	£10 8 2.

For Weight cargo the calculations are made on the same principle.—Thus 16 tons 16 cwts. 3 qrs. @ 37/6 and 10%.

		£	s.	d.
At 20/-	equals	16	16	9
„ 10/-	„	8	8	4·5
„ 5/-	„	4	4	2·25
„ 2/6	„	2	2	1·125
		31	11	5
10%	„	3	3	2
		£34	14	7

Rates of Freight cover many services :—

A. Ocean freight—The charge covers services from port to port, say, F.o.b. from Liverpool to New York.

B. Through Rates of Freight can be from port of shipment to destination, *i.e.*, town in interior, say F.o.b. Liverpool to New York, thence to Troy. Ocean freight plus N.Y. transhipping charges and carriage to Troy.

C. From places in U.K. to places abroad—(*a*) Manchester to Calcutta. Including carriage from Manchester to Liverpool, shipping charges at Liverpool and ocean freight. (*b*) Manchester to Berlin. Including carriage from Manchester to, say, Hull, shipping charges and freight to Hamburg, and transhipping charges and carriage to Berlin.

In order to arrive at the amount for which the goods must be insured, freight, charges and commission must be added to the amount of the original cost of the goods, and a further amount of, say, 10%, added to cover estimated profit. The percentage to be added varies, but 10 % is the amount added in arriving at the amount in all invoices worked in the following pages. The amount is generally made up to the nearest £5 above the actual amount. Thus if the amount came to £142, the amount declared for insurance would be £145; if the actual amount were £57, the amount declared would be £60.

Marine Insurance Policies require **stamping** at the rate of **1d. per £100 or fractional part of £100 of the amount insured, this** stamp duty being added to the amount of the premium to be paid to the Insurance Company.

Before shipping any goods for exportation, the exporter is required to deliver a **Shipping Bill,** declaring the quantity, description, and value of the goods to be shipped. The person whose name appears on the Bill of Lading as the consignor of goods for exportation is deemed by the law to be the *exporter* of those goods. The Shipping Bill, when filled up and signed by the exporter or his agent, in such manner as the customs officer may require, and countersigned by him, is the **clearance** for all the goods enumerated therein.

H. M. CUSTOMS

Port of

(Erase the words that do not apply)

No. 64 (Sale.)

SHIPPING BILL FOR DRY / WET GOODS AS MERCHANDISE.

Under Inland Revenue Bond.	Under Customs Bond.
Collection	Warehouse
District	
Station	Number
Date	Month and Year 19.

Export / Ship — Master — for

Entered Outwards — Bond given

Station — Lighterman

Conveyance — Carman

Exporters or Agents.

Shipping Marks and Numbers	Number of Packages	Description of Packages	DESCRIPTION AND TOTAL QUANTITY OF GOODS	Value

There are several kinds of Shipping Bills, printed on different coloured paper. The one shown on the previous page is white; the special buff form is for ships store, shipments, etc. The pink Bill for drawback goods requires to be prepared in duplicate. When beer is shipped on Drawback a special Shipping Bill (white) and a Beer Notice is issued by the Collector of Excise in which district the brewery is situated, and directions given to the export officer as to sampling for test, etc., is endorsed thereon.

Before the exportation of Warehoused or dutiable goods or goods entitled to drawback, the exporter or his agent must give a **Bond-note** or account of the goods to the proper officer, and also a security called a **Bond,** for the performance of a condition that within a reasonable time the goods will be duly shipped, exported and landed at the place for which they are entered outwards, or otherwise accounted for. The Bond is signed by the exporter or his agent, and a substantial *surety,* and imposes a penalty, equal to twice the amount of the duty, in case the conditions are not complied with. The Bond-note when examined and certified by the Customs Bond Clerk, constitutes the export entry for the goods enumerated therein. Such goods are referred to as *bonded goods* because of this formality. To save the necessity for giving separate bonds for each exportation, an exporter is allowed to give a general bond, but he is still bound to give certain notice in respect of each exportation. On the back of the bond-note are two forms, one of which gives the particulars of the goods exported, and the other constitutes an order upon the warehouse-keeper for delivery of the goods.

Warehouse.....

Dry Goods for Exportation. | Number
Month and Year 191

Register and Folio.	Ship and date of Importation or Customs Rotation and year, and Bonder's Name.	Numberand description of Packages and Goods.	Import Marks and Numbers.	Export Marks and Numbers.	Sample	Landing Weight.	Reweight

Officer

Value for export £ Date

II. WAREHOUSEKEEPER'S ORDER. | Warehouse Number

To the Warehousekeeper at.....

Deliver for Exportation as under— Month and Year 191

.....Exporter

Ship and date of Importation, Customs Rotation and Year, and Bonder's Name.	Number of Packages in words with description of goods.	Landing Marks and Numbers.

.....Officer of Customs,

Date.....

(Reverse side of Form on preceding page.)

Dry Goods for Exportation.

No. 522d. (C.) I WARRANT. Collector's No. Date.

Station.....

Notice is hereby given by M .....

of.....to export in the

Ship..... bound to .....lying

at.....and to be removed by Licensed .....

(The description of goods and the quantity in words.) .....

.....liable to the duty of £.....

Signature of the Exporter or his Agent. } ..... :.....

This is to certify that Bond has been given for the Exportation as above.

Name of proposed Surety.....

Occupation .....

Address.....

Amount of Stamp Duty..... } Collector or Clerk of the Bonds.

Drawback. This term is used to signify the sum paid back by the Government upon certain classes of goods exported, on which duty has already been paid. The object of this repayment is to enable the exporter to compete in foreign markets on an equal footing with merchants of other nations. In order to compute and pay any drawback a **Debenture** is prepared by a customs officer. This document certifies in the first place the entry outwards of the goods; then, after exportation, and when particulars of the goods have been delivered by the exporter to the export officer, the shipment and exportation are also certified on the Debenture. Upon the Debenture the exporter or his agent must make a declaration that the goods have been actually exported, have not been relanded, are not intended to be relanded in any port of the United Kingdom; and that at the time of entry and shipping the person entitled to the drawback (who must be named) was and continued to be so entitled. The receipt of the person so named, signed on the Debenture, and countersigned by the holder of the Debenture, if it has been transferred in the meantime, will be the discharge for the Drawback when paid. Payment should be claimed within two years from the date of shipment of the goods, or the duty will be lost.

Specification of Free Goods. Within six days after the final clearance outwards of the exporting ship, the exporter of free goods delivers to the customs officer, at the port of shipment, a document called a *Specification*. This varies in form according to whether the goods about to be exported are produced or manufactured in the United Kingdom, or are goods imported from abroad and about to be re-exported.

No. 29 (Sale)

*SPECIFICATION for British and Irish Goods only.

H M. CUSTOMS

Port of.....Ship's Name.....

.....Master for.....

Date of Final Clearance of Ship .....

*The Specification of Goods exported must be delivered to the proper Officers of Customs within six days from the time of the final clearance of the Ship as required by the Customs Laws.

Marks.	Nos.	Number and Description of Packages.	Quantity and Description of British and Irish Goods in accordance with the requirements of the Official Export List.	Value.	Actual Destination of the Goods.
			Total...		

I declare that the particulars set forth are correctly stated.

Dated.....191 . (Signed).....‡

(Address) .....

Countersigned.....

Officer of Customs.

‡Adding Exporter or Agent as the case may be.

The Export List shows the different headings under which goods must be entered, as there is not a different heading to every class of goods.

EXTRACT from EXPORT LIST.

Aerated Waters	doz. bottles.
Bricks, and Tiles of Brick Earth :—	
Bricks	thousand.
Roofing Tiles and Street Paving Tiles..	thousand.
Clay, unmanufactured :—	
Fire Clay	ton.
Other Sorts..	number.
Glass :—	
Plate..	cwt.
Flint, Plate, Cut, or Ornamental, and other manufactures of Flint Glass (except Bottles)	cwt.
Bottles	gross.
Manufactures, Other Sorts	cwt.
Jute :—	
Yarn	lb.
Manufactures :—Piece Goods	yard.
Other Sorts	value.

Matches :—	
Safety Matches	gross of boxes.
Other Sorts..	gross of boxes.
Methylic Alcohol (not purified so as to be potable)	gallon.
Musical Instruments :—	
Organs and Harmoniums..	number.
Pianos	number.
All other Musical Instruments	number.
Parts of Musical Instruments	value.
Plate :—	
Of Gold	oz. troy.
Of Silver, gilt or ungilt	oz. troy.
Wool :—	
Sheep's or Lambs', British, raw or undressed..	lb.
Shoddy, Mungo, &c.	lb.
Waste	lb.
Flocks	lb.
Noils..	lb.
Tops	lb.

Entry Outwards. Before any goods are taken on board for exportation the master of the ship must deliver to the Collector of Customs a Certificate of clearance inwards of her last voyage. At the same time he must deliver an *Entry Outwards* of the ship.

Entry Outwards.

Port of

Ship's Name.		Tonnage.	Master's Name.	Port of Destination.
If British, Name of Port of her Registry.	If Foreign, Name of Country to which she belongs.			

Lying at.....,.....Dock or Station.

(Signed)..... ....

Master or Agent.

Date of Entry.....

If ship shall have commenced her lading at any other port (name of such port) ..... }

Clearance Outwards. When the ship is completely loaded and ready to sail, but before she can lawfully commence the voyage, the master must *clear* her *outwards* by satisfying the customs authorities as to the character of the cargo. The master, who must be prepared to answer any questions concerning the ship,

cargo and voyage, attends before the proper officer and delivers a document called the **content** of the ship. The Certificate of clearance takes the form of a signed and sealed label attached to the *Report Inwards,* the *Victualling Bill,* giving particulars of bonded stores on board the vessel, and Transhipment Certificate.

Master's Declaration and Stores Content for Vessels Outwards with Cargo.

Rotn. No.

Official No.

Sailing Vessel — No. of Register

Steam Vessel — Date of Registry

Port of

Ship's Name and Destination.	Number of Tons.	If British, Port of Registry, if Foreign, the Country.	Number of Crew.	Name of Master.	With or Without Passengers or Troops.

I, , Master of the above-named vessel, do declare that the particulars set forth above are true and correct, and that all the requirements of the Merchant Shipping Acts respecting outward bound ships have been duly complied with.

I hereby nominate and appoint of to be and act as my Agents in all matters relating to the clearance of the said ship required of me in that respect by the Customs Acts, holding myself responsible for their acts in such matters. } To be struck out if not applicable.

Signed and declared this day of
in the presence of

.....Master.

pro Collector of Customs.

Brokers.....

Address.....

Date of Clearance.....

.....Clearing Officer.

(Signed).....
Agents for the Master.

(The Stores Content, *i.e.*, a list of all the dutiable articles on board is to be given on the back of this form.)

Certificate of Origin. The Exporter of goods to certain countries is required to send a Certificate of Origin in the form and language required by the government of the country to which the goods are being sent and signed by the authority named by such government. These Certificates are generally

issued through the Chambers of Commerce. The object of these Certificates is to show in what country the goods have been produced or manufactured. Some governments levy a higher rate of import duty on goods from certain countries, and those countries entitled to the lower rates must produce these Certificates of Origin. As the tariffs vary from time to time the requirements vary, and the Certificates required by a given country one year may not be required another year. They are at present required for Spain, Russia, Turkey, Japan. A *Declaration of Origin* has to be made by the exporter of goods to Canada, which must be written, printed, or stamped on the back of the Invoice.

No. 52A (Sale)

Nom de l' Exportateur.

Certificat D'Origine.

Le soussigné declare ques les marchandises ci-dessous designées ont été inscrites pour embarquement par le vaisseau ..... Capitaine ..... allant a ..... et que l'exportateur a dûment declaré que les dites marchandises sont d'origine ou de manufacture Britannique.

Marques et Numeros.	Colis.	Description des Marchandises.	Poids Brut. Kilogs.

Certificate of Origin.

..... hereby certify that I am ..... of

..... in the County of .....
England, the exporters of the Articles included in this invoice, and that I am duly authorised to make and sign this Certificate on behalf of the said Exporters.

I have the means of knowing, and I do hereby certify that this

Invoice from the said ..... to .....

..... amounting to .....

.....

is true and correct; that all the Articles included in the said Invoice are bona fide the produce or manufacture of this country, namely, England, and that the labour of this country has entered into the production of every Manufactured Article included in the said Invoice to the extent of each Article of not less than one-fourth of the value of every such Article in its present condition ready for export to Canada.

"Whereas, German goods are subject to a surtax in Canada, I certify that the chief value of none of the articles included in this Invoice was produced in Germany."

Signed .....

Dated at .....this .....19.....

Consular Invoices. The exporter of goods in certain foreign countries such as the United States of America, Portugal, Chili, Brazil, and some other South American countries must make out what is termed a *Consular Invoice*; that is, an invoice in a prescribed form, and make a **declaration** before the Local Consul for the country to which they are to be exported. The Invoice, with particulars of the goods, is on the inside, and on the other side is the declaration. The Invoice must **contain** a full statement of the time when, the place where, and the person from whom the goods were purchased, or by whom made, the actual cost, and all charges thereon, and a statement of all discounts which have been allowed in respect of the goods. In the declaration the exporter declares the particulars given in the Invoice to be correct; he also declares where the goods were manufactured, that no different invoice thereof has been or will be furnished to any one, and that the amount in the Invoice is that which was actually paid or is to be paid for the goods. This is signed by the exporter himself, or by a partner of the firm, and certified by the Consul. The **reason** for this **formality** is to insure that importers shall observe the laws of the country to which the goods are forwarded, and especially with regard to the duties payable upon important goods.

The Invoice is usually made out in **triplicate,** the original is retained by the Consul, the Duplicate is handed by the Consul to the exporter duly certified by him, and the triplicate is sent by the Consul to the Customs Authorities at the port of entry. If the goods are to be forwarded in bond from the port of entry to some other port in the same country, a fourth copy is required, which is also returned to the exporter by the Consul. The exporter sends the duplicate and quadruplicate (if any) to the consignee to be dealt with by him on arrival of the goods.

The **packages** in which the goods are contained must be **marked** *Made in Great Britain,* and with a description of the goods, such as *Cotton Goods,* also the marks and numbers, &c.

Consular invoices are *not* required for the United States where the invoice price of the goods does not exceed £20.

Inside of Consular Invoice.

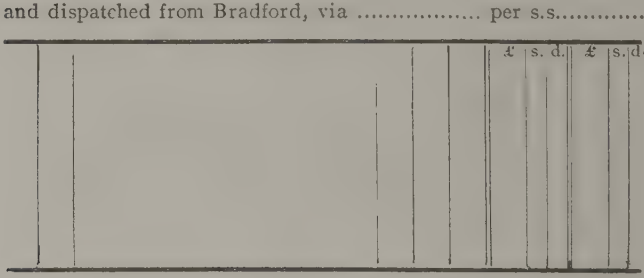
BRADFORD.....

INVOICE of certain Goods, viz. :— .....

sold in Bradford, by Messrs. .....

to Messrs..... of .....

and dispatched from Bradford, via ..... per s.s.....



The name of Deponent's firm should be signed below the *total* of this Invoice.

Transhipment. This is the act of transferring goods from one ship to another. When goods are intended to be transhipped, the fact must be mentioned in the Captain's Report or Manifest, and the person to whom the goods belong must fill up a form giving particulars of his goods, which must agree with the *Captain's Report,* so far as his goods for transhipment are concerned, and which he must present to the proper Customs House officer, who will compare it with the Master's Report and, if correct, will certify and return it. This is called a **Transhipment Bond Note;** it is similar to the *Bond Note* referred to in the chapter on the

All Blanks in these Three Columns to be filled in by Shipper. ☞ The form of Invoice on the other side to be used

[Form No. 140.]

CONSULAR CERTIFICATE.

I, the undersigned, Consul of the United States do hereby certify that, on this _____ day of _____, A.D. 1 the invoice described in the indorsement hereof was produced to me by the signer of the annexed declaration.

I do further certify that I am satisfied that the person making the declaration hereto annexed is the person he represents himself to be, and that the actual market value or wholesale price of the merchandise described in the said invoice in the principal markets of the country at the time of exportation is correct and true, excepting as noted by me upon said invoice, or respecting which I shall make special communication to the proper authorities.

Witness my hand and seal of office the day and year aforesaid.

Received the equivalent of $5 50 in gold.

Consul of the United States, Bradford.

[Form No. 138.]

Declaration of Purchaser or Seller or duly authorised Agent of either.

I, the undersigned, do solemnly and truly declare that I am the _____ of the merchandise in the within invoice mentioned and described; that the said invoice is in all respects correct and true, and was made at BRADFORD, whence said merchandise is to be exported to the United States; that said invoice contains a true and full statement of the time when, the place where, and the person from whom the same was purchased, and the actual cost thereof, price actually paid or to be paid therefor, and all charges thereon; that no discounts, bounties or drawbacks are contained in said invoice but such as have been actually allowed thereon; that no different invoice of the merchandise mentioned in said invoice has been or will be furnished to any one, and that the currency in which said invoice is made out is that which was actually paid or is to be paid for said merchandise.

I further declare that it is intended to make entry of said merchandise at the port of _____ in the United States of America.

Dated at BRADFORD, this _____ day of _____, 1

PURCHASED BY IMPORTER.

Invoice No. _____ (leave blank.)

Here mark the forms "Original," "Duplicate" & "Triplicate" respectively:

Issued in Triplicate.

Consulate of the United States

AT

BRADFORD, ENGLAND.

Date, _____, 1

Sellers _____

Address _____

Purchaser _____

Name of vessel _____

Port of Shipment _____

Port of arrival _____

Port of entry _____

Value £ _____

Contents _____

BRADFORD, England.

CUSTOM-HOUSE INDORSEMENT.*

No. _____

Importer _____

Vessel _____

From _____

Arrived _____

Kind of Entry:

Marks, Quantity, and Contents.

257

* Consular officers will leave all of above indorsement blank. It is to be filled in only at the custom-house at the port of entry.

Importation of Goods, but more exact particulars are required than on the Bond Note for warehousing. Entries must be passed for all goods entered as in transit, and the delivery notes issued to the officers in charge of the importing ship, who will duly deliver and issue a transhipment Lighter Note as per specimen shown. The importer or consignee then takes the Transhipment Bond Note to the Bond Office and fills up and signs a *Bond,* which is also signed by a surety, in which they undertake to tranship and export the goods therein mentioned under a penalty. The importer also fills up and signs a **Transhipment Delivery Order,** also a form called a Shipping Bill. The documents, Bond Note, Delivery Order, Shipping Bill, and either Transhipment Lighter Note or Cart Note, are then taken to the Transhipment Office and are there examined by the officer, who retains the Bond Note, and returns the Delivery Order and Shipping Bill after signing and stamping them. These, along with the Bill of Lading, must be handed to a licensed lighterman, and represent the authority to the officer to allow delivery from ship's side to such lighterman or carman, who now takes possession of the goods from the importing vessel, handing the B/L. and Delivery Order for the same, and taking them to the officer on Board the exporting vessel, who certifies to the shipment of the goods, and returns the documents to the Customs House in his district. If, however, the B/L. is a through B/L. it would not be handed to the importing ship's officer. If *not* a through B/L. a Mate's Receipt would be required from the exporting ship, and the B/L. prepared in the usual manner.

H.M. CUSTOMS

Send Note for Transhipment and Transportation.

Bond-Office, Customs, Liverpool Port.

day of 1

Marks. and Nos.	THESE are to certify that of No. has given security as required by Law for the due Transhipment and Exportation of the undermentioned goods, viz. :— *	Values. Duty Goods.	Values. Free Goods.
	.....		
	.....		
	.....		

* One article only to be entered on each line,

Total value of Free Goods only...£

Amount of Duty £

On board the for

The above Goods reported day of 1

ex the Master @

If under General Ordinary Bond.

Here state—

Name of the proposed Security, Mr. .....

Address .....

Amount of Stamp Duty.....

Date of General Bond ..... *Clerk of the Bonds.*

Signatures of Exporter or.....

Authorised Clerk or Agent } *No.*

FOR TRANSHIPMENTS ONLY.

LIGHTER NOTE.—No. 2.

Delivered into Lighter *James* 47

from the Ship *Heron.* Rotation *14/7897.*

from *Oporto.*

Ship *Minnehaha* for *New York* lying at *Tilbury Dock.* for Transhipment on board the

404 Packages under Crown locks numbered *6/4127.*

Marks.	Nos.	No. of Packages.	Description of Packages and Goods.	Where lying, Date and Time when Lighter leaves.	Date and Time when Shipped.	No. of Pack-ages.	Over.	Short.	Observations.
A. J. & Co.	*1/250*	*250*	*c/s. Wine Red Wine @ Portugal*	*N. Quay, London Dock. 6/11/17. 3 p.m.*	*9 11/17 2—3 p.m.*	*404*	—	—	*Shipping Bill 71.*
M. J. & Co. A. P. & S.	*251/400*	*150*	*c/s. Wine Do.*						
4 Grapes	*401/4*	*4*	*Casks Wine*						

Signature of Officer. *Signature of Officer.*

N.B.—The Officer, or Watcher, is enjoined to give a correct description of the packages and goods, and to state where the Ship is lying, and the date and exact time the Lighter leaves. This note to be forwarded to the Collector, EXPORT BRANCH, LONG ROOM, duly filled up and signed, as soon as possible after the goods are shipped.

Lightermen are strictly prohibited from taking on board goods from Coasting Vessels for conveyance in the same Lighter with goods imported from Foreign, and are also forbidden to carry in the same craft with Transhipment goods any other goods, except dutiable Export and Drawback Goods intended for shipment on board the same export vessel as that for which such Transhipment Goods are intended—such Export and Drawback Goods being shipped from the same Dock or Station as the Transhipment Goods.

The Lightermen's responsibility for the packages delivered into their charge will be strictly enforced, and they should ascertain that there are no disputed packages on giving up charge.

The dip of each cask on long ullage, or the particulars of any packages of dutiable goods examined for apparent or actual deficiencies, received into craft should be recorded on the Lighter Note before the craft leaves for its destination.

No. 74. Importation Code, par. 1050.

Sec. $\frac{27061}{1913}$.

259

.....*Port.*

CART NOTE FOR TRANSHIPMENTS ONLY.

.....*Station.*

.....191

Delivered into Cart.....Licensed Carman, from the Ship ..... from

.....for transhipment on board the Ship.....for.....

lying at....., ...Packages, in charge of* .....Watcher.

under Crown locks*

Marks.	Nos.	No. of Packages.	Description of Packages.	Time when cart leaves Import Station.	Time of Arrival at Export Station.	No. of Packages Shipped.	Over.	Short.	OBSERVATIONS.

260

.....Import Officer. .....Export Officer.

N.B.—The Officer is enjoined to give a correct description of the packages and the exact time the Cart leaves his Station. This Note to be forwarded to the Collector, Export Branch, Long Room, duly filled up and signed, as soon as possible after the goods are shipped.

The Carmen's responsibility for the packages delivered into their charge will be strictly enforced, and they should ascertain that there are no packages in dispute on giving up charge to the Export Officer.

* The words which are inapplicable to be struck out.

No. 66. Importation Code, paragraph 1050.

Section No. $\frac{1420}{1913}$.

Foreign Moneys of Account.

France	Franc = 100 Centimes
Germany	Mark = 100 Pfennige
Belgium	Franc = 100 Centimes
Holland	Guilder = 100 Cents.
Denmark	Krone = 100 Ore
Norway	" "
Russia	Rouble = 100 Copecks
Austria	Florin = 100 Kreutzers
Switzerland	Franc = 100 Centimes
Italy	Lira = 100 Centesimi
Greece	Dachma = 100 Lepta
Spain	Peseta = 100 Centesimos Piastre = 5 pesetas (usual quotation)
India	Rupee = 16 annas of 12 pies each
Canada	Dollar = 100 Cents.
United States	" "
Shanghai	Tael = 10 Mace
Singapore	Dollar = 100 Cents.

The **Rates** of **Exchange** are generally quoted in the moneys of the foreign country, that is to say, so many francs, marks, &c., to our £ sterling; some few are, however, quoted in pence, namely, so many pence to the dollar, rupee, &c. When **converting** pounds, shillings, and pence into the foreign equivalents, in the first case, the £ s. d. must be multiplied by the foreign rate of exchange; thus to convert £50 10s. 6d. to francs at 25.25, bring the shillings and pence to the decimal of a pound, then multiply the two, as follows :—

£50·525
25·25

252625
101050
252625
101050

1275·75625 viz. 1275 Fcs. 75 Centimes.

To convert Francs into £'s *divide* by the Rate of Exchange; thus, to convert 1275·75 francs into £ s. d. @ 25·25 proceed as follows:—

25·25) 1275·75 (50·525 = *£50 10 6*
1262·5

13·250
12·625

6250
5050

12000
12625

To **convert £ s. d.** into rupees divide by the Rate of Exchange, thus, to convert £50 10 6 into rupees @ 1/3¾ proceed as follows:—

£	s.	d.
50	10	6

20
1010
12
12126
4
48504

d. 15¾ → 63

Rupees.	Annas.	Pies.
769	14	6 nearly

441
440
378
624
567
57
16
912
63
282
252
30
12
360
315
45

To **convert Rupees** into £ s. d. multiply by the Rate of Exchange; thus, to convert 769 Rupees 14 Annas and 6 Pies to £ s. d. at 1/3¾ proceed as follows:—

769
15¾
3845
769
384½
192¼
12111¾
14¼
12) 12126 (
20) 1010·6
£50 10 6

14½ / 16 × 1/3¾

63/4 × 29/2 × 1/16

63
29
567
126
128) 1827 (14½
128
547
512
35

Export Invoices. When a Manufacturer, Merchant, or Agent quotes the price of goods to his foreign customer or principal, the price may only refer to the cost of the goods at the place of manufacture, namely, **Loco** terms, (Local Cost); or it may include cost of goods, packing and placing on board the exporting vessel, viz., **F.O.B.** terms (Free on Board); or it may include the cost of the goods, packing, shipping charges and freight to port of destination, viz., **C. & F.** terms (Cost and Freight); or it may include the latter **C. & F.**, and also the marine insurance of the goods, viz., **c.f. & i.**; generally termed **c. i. f.** and called *siff* terms (Cost, Freight, and Insurance); or the price may include all charges including the import duty at the port of destination, and also the delivery of the goods to the door of the purchaser, viz., **Franco** terms. The term *Franco*, however, does not always include all such charges; in fact, it is often intended as an equivalent to *c.i.f.* terms.

Three or **Four Copies** of export invoices are generally required, great care being necessary in preparing them, as they are often required to be submitted to the Customs Authorities by the importer, and if there were any difference between the goods and the statements in the invoice the importer would be liable to a penalty, which, of course, he would claim from the exporter, and the inconvenience of which he would much resent.

The **headings** for export invoices are very often different from the headings for home invoices, although there is no objection to the use of the ordinary invoice headings. The forms given on the specimens submitted are similar to those used by some large exporters.

If the exporter is acting in the capacity of *Merchant* he is entitled to retain any discounts or allowances he may receive from the makers or manufacturers, &c., but if the exporter is acting in the capacity of *Agent* he is not entitled to receive any other remuneration than the Commission allowed him by his principal, and must account to his principal for all discounts and other allowances he may receive. The usual commission is 2½% on the total amount of the invoice, including the charges.

LOCO INVOICE.

Invoice for 20 pcs. Coatings, @ 2/8 per yard. The lengths are 5 pcs. at 31 yds., 3 at 31½, 1 at 29, 4 at 30½, and 7 at 32 yds., shipped to Messrs. Branson & Hall, Bombay, by Robertshaw & Co., Leeds, per steamer "Cyprus," in a case marked B.H.B. 354. Deduct 2½% discount. Add charges: packing 17/6; carriage to Liverpool and freight to Bombay at 27/6 and 10% per steamer ton, the case measuring 3ft. 1in. × 2ft. 9in. × 1ft. 8in. Marine insurance for 10% more than invoice value at 15/- per cent. and stamp; Commission 2½%.

Invoice of Goods shipped by ROBERTSHAW & CO., LEEDS, to Messrs. BRANSON & HALL, BOMBAY, per s.s. "Cyprus." *31st August, 1917.*

		£	s.	d.
B. H. B.	*20 Pieces Coatings* 1/29 4/30½ 5/31 8/31½ 7/32			
354	= 624½ Yds. @ 2s. 8d.	83	5	4
	2½% Discount	2	1	8
1 Case		£81	3	8
	Charges.			
	Packing	17 6		
	Carriage to Liverpool and Freight to Bombay 14ft. 2in. @ 27/6 & 10%	10 9		
	Insurance on £95 @ 15/- and Stamp	14 6	2	2 9
			83	6 5
	Commission 2½%		2	1 8
			£85	8 1

F. O. B. INVOICE.

F.O.B. Invoice for 20 pcs. Black Wool Italians, 10 pcs. Patt. 245 @ 15d. per yard, and 10 pcs. Patt. 322 @ 20½d. per yard, shipped by A. Beyer & Co., Leeds, to Campioni & Co., Venice, in one case marked C.C. 297, per steamer "Stella," from Liverpool. Charges—Making up 13s. 4d., Casing 18s. 6d., Carriage to Liverpool 9s. 3d., Shipping Charges 2s 8d., Commission 2½%.

Invoice of 1 Case Goods shipped by A. BEYER & CO., Leeds, to Messrs. CAMPIONI & CO., VENICE, per s.s. "Stella," from Liverpool. *31st August, 1917.*

		£	s.	d.
CC 297	*20 Pcs. Black Wool Italians.*			
	10 Pcs. Patt. 245 = 275 yds. @ 1s. 4½d. f.o.b. =	18	18	1
	10 ,, ,, 322 = 280 ,, @ 1s. 10d. f.o.b. =	25	13	4
		£44	11	5

Method of Calculation:—

	£	s.	d.
275 yds. @ 1s. 3d. =	17	3	9
280 ,, @ 1s. 8½d. =	23	18	4
Making up =		13	4
Casing =		18	6
Carriage =		9	3
Shipping Charges =		2	8
	43	5	10
Commission 2½%	1	1	8
	44	7	6
Less cost of goods	41	2	1

555 yds.) 3 5 5 Total charges.

20

65

12

) 785 (1½d. to add per yd.

555

230

4

920

1110

C. & F. INVOICE.

This invoice only includes the freight beside what is included in the preceding F. O. B. invoice, Freight at 12s. 6d. and 10%, Case measuring 4ft. 8in. × 2ft. 6in. × 3ft. 10in.

Invoice of 1 Case Goods shipped by A. BEYER & CO., LEEDS, to Messrs. CAMPIONI & CO., VENICE, per s.s. "Stella" from Liverpool. *31st August, 1917.*

CC. 297

20 pcs. Black Wool Italians.

C. & F. Venice.

		£	s.	d.
10 Pcs. Patt.	245 = 275 @ 1s. 4½d.....	19	3	10
10 ,,	322 = 280 @ 1s. 10¼d.	25	19	2
		£45	3	-

Method of Calculation :

Making up.....		13	4
Casing.....		18	6
Carriage to Liverpool		9	3
Freight		15	3
Shipping Charges....		2	8
Commission 2½% on £43 5 10 and 15 3	44 1 1	1	2 -

555 yds.)4 1 -(1¾d. per yd. to add to original price of goods.

20

81
12

972
555

417
4

1668
1665

C.I.F. INVOICE.

When the price quoted is C.I.F. the invoices are generally made out in the currency of the country to which the goods are being exported.

C.I.F. Invoice for 10 pcs. 27in. Wool Figures, Navy, shipped by Sellers & Co., Bradford, to Messrs. J. S. King & Co., Shanghai, in 1 Case marked J.S.K. 231 per Steamer "Foochow," from Liverpool, lengths of Pcs. 1/60 yds., 1/60½ yds., 1/61 yds., 3/61½ yds., 4/62 yds., total 614 yards @ 1s. 9½d. per yard. The

charges are: Tin lined case 10s. 6d., Carriage to Liverpool 5s. 6d., Freight on 13ft. 6in. at 42s. 6d. and 10% per ton, shipping charges and B/L. 3s. 6d., Marine Insurance (for Invoice amount plus 10%) at 7s. 6d.% and stamp and commission 2½%. (Exchange 2s. 2¼d. =1 Tael.)

Invoice of 1 Case Goods shipped by SELLERS & CO., BRADFORD, to Messrs. J. S. KING & CO., SHANGHAI, per S.S. "Foochow," from Liverpool. *31st August, 1917.*

J.S.K. Shanghai.	*1 Case 27in. Wool Figures, Navy.*	c.i.f.	Tael
281	10 Pcs. 60, 60½, 61, 3/61½, 4/62 = 614 Yds. @ $8\frac{6}{10}$ Mace =		528

Method of Calculation:—

614 Yds. @ 1/9½	£55	-	1
Tin Lined Case.....		10	6
Carriage to Liverpool		5	6
Freight on 13ft. 6in. @ 42/6 and 10%		15	9
B/L. & Shipping Charges..		3	6
Insurance on £65 @ 7/6, and stamp		5	1
	57	-	5
Commission 2½%	1	8	6
	£58	8	11

20

1168

12

14027

2

Tael

53)28054(529·3

265

·155

106

·494

477

·170

159

Yds. Mace.

614)529·3($8\frac{6}{10}$

4912

·3810

3684

FRANCO INVOICE.

Franco Invoices should be made out in the length, weight and currency of the country to which the goods are being exported. The forwarding charges and the duty charged by the importing country may be obtained from a forwarding agent at the port to which the goods are to be sent.

Students should refer to the tables for the foreign equivalents to our lengths and weights, but the following equivalents are sufficient for the present purpose.

1 yard	= 0·9144 metre.	1 metre	= 1·0936 yards.
1 inch	= 2·54 centimetres.	1 centimetre	= 0·3937 inch.
1 lb.	= 0·4536 kilogrammes.	1 kilogramme	= 2·2046 lbs.

Below is the method of making the calculations for, and making a franco invoice from the following particulars :—

Goods shipped by Oscar Robinson & Co., Bradford, to A. Gagnielli and Co., Genoa, per steamer "Stella," 10 Pcs. Beatrice Lining 56in. wide, 5/25, 3/25½, 2/26 yards at 2s. 5d. per yard. Packing charges, 1 Bale 10s. 6d., Marine Insurance, &c., 3s., Railway Carriage & Freight 17s 6d., Shipping Charges and B/L. 2s. 6d., Import duty and charges at Genoa amounting to 70 lire, Exchange 25.35.

The width must be converted into centimetres by multiplying 56in. by 2.54 centimetres, because there are 2.54 c.m. in 1 in.

56
2·54

224
280
112

142·24 viz. *142* centimetres wide.

Convert the lengths into metres by multiplying the yards by .9144.

·9144
25

45720
18288

		m cm.		m cm.
25 yds.	= 22·8600	5 pcs. at 22·90	=	114·50
½ „	= ·4572	3 „ at 23·30	=	69·90
		2 „ at 23·80	=	47·60
25½ „	= 23·3172		M	232·0
½ „	= ·4572			
26 „	= 23·7744			

The lengths are generally given to the nearest *10* centimetres.

Make the calculation of the cost of the goods and the charges in pounds, shillings and pence, except the import duty and charges at Genoa, thus :—

			£	s.	d.
5 pcs. @ 25 yds.	= 125 yds.				
3 „ „ 25½ „	= 76½ „				
2 „ „ 26 „	= 52 „				
	253½ „ @ 2s. 5d.	=	30	12	7½
Packing				10	6
Marine Insurance				3	-
Railway Carriage and Freight				17	6
Shipping Charges and B/L				2	6
			£32	6	1½

Convert £32 6 1½ into lire at 25·35, thus:—

£32·306
25·35

161530
96918
161530
64612

lire 818·95710
add 70 Import duty and charges at Genoa.

lire 888.95710 for 232 metres, therefore divide the total amount in lires by the total length in metres to ascertain the rate per metre.

232) 888·96 (Lire 3·83c. per metre.
696

1929
1856

..736
696

·40

Then multiply 232 metres by 3 lire 83 centimes to ascertain the amount of the invoice.

232
3·83

6·96
185·6
696

Lire 888·56c.

Very often the price is reckoned to the nearest 5 centimes, then the above would be called 3 lire 85 centimes.

Tables are provided from which the foreign equivalents to our lengths, weights and prices may be ascertained, thus obviating the above calculations.

The invoice would be made out as follows, from the above calculations:—

INVOICE OF GOODS shipped to Messrs. A. GAGNIELLI & CO., GENOA, per S.S. "Stella," by OSCAR ROBINSON & CO., BRADFORD. *5th November, 1917.*

1 Bale 10 Pieces 142 c.m. Beatrice Lining. 5/22·90 3/23·30. 2/23·80 = 230 Metres @ Lire c 3 ·83 =	Lire 888	Centimes. 56

A Bounty is a premium paid by a Government to producers and exporters of certain goods with the object of encouraging and developing an industry by enabling them to compete with foreign countries.

Free Trade is the trading between nations without any artificial restrictions, such as duties on imports to restrict the importation of certain commodities. Great Britain is a free trading nation, that is, there are no duties imposed on imports for the purpose of restricting the quantity of any imports. The Customs duties levied in Great Britain are for the purpose of revenue simply, and all commodities taxed on entering Great Britain are, or would be, similarly taxed when produced in the country.

Protection is the term employed to express the opposite of Free Trade. That is to say, duties are levied upon certain commodities imported in order to restrict or prevent the importation of those commodities and thus protect the interests of the producers of those commodities in the country imposing the duty. Nearly every country or nation in the world, except Great Britain, have protective duties on some commodities.

Retaliation is the policy of placing a duty, or increasing the duty on goods from a country, because that country placed a duty or increased a duty on goods going into that country from the other. If Great Britain were to tax cotton from the U.S.A. *because* they tax our textiles, that would be retaliation.

Corner is a term which signifies the operation of a speculator or syndicate of speculators, by means of which the whole or a large portion of a certain marketable commodity is brought into the control of the speculators, who are then in a position to dominate the market and fix their own prices. The same principle applies to a Stock Exchange scheme for buying up stock so as to force a rise in price through an artificial scarcity.

Trusts are combinations of business firms, where several have been amalgamated into one large company. The objects of Trusts are to obtain a monopoly of the trade, and to prevent the fall in prices arising from competition. The advantages of trusts are said to be economy in production, owing to the large scale upon which raw material is bought, the use of better machinery, and better organisatiton, a saving in expenses. But in the opinion of many the evils arising from the lack of healthy competition outweigh the advantages.

A **Pool** is a number of persons combining for a joint purpose and sharing the risk and the profit.

Options. The right to buy or sell stock at an agreed price for a given time. The right to buy is a *call option,* the right to sell is a *put option,* and the right to either buy or sell is a *double option.*

Futures. Goods for delivery at some future time. The term is used in regard to commodities bought and sold from abroad which are not yet shipped for delivery. The buying and selling of futures is a speculation on the part of the dealers, as the

market price may either rise or fall before the time for delivery. In many instances it is a system of gambling, the dealer only intending to pay or receive the *difference* between the price bought and sold, and the market price at the time fixed for delivery, in the same way that speculators on the Stock Exchange operate for the account.

TEST PAPER 24.

1. What is the difference between an Indent and an Order?
2. Explain the packing of bales of cloth, &c., for shipment abroad.
3. What method is adopted for marking packages for abroad?
4. What details are generally given on a shipping advice note, and for what purposes are they required?
5. After agents have attended to the shipping of the goods what do they send to the exporters?
6. How is freight charged?
7. What would the freight amount to on the following?
   3 cases 3′ 6″ × 2′ 4″ × 1′ 6″ @ 25/- & 10% per steamer ton.
   5 ,, 4′ 2″ × 2′ 6″ × 1′ 9″ @ 33/- & 10% ,, ,, ,,
   10 ,, 4′ 10″ × 3′ 4″ × 2′ 3″ @ 27/6 & 10% ,, ,, ,,
8. For what amount would the following goods be insured? 12 Pcs. Cloth = 420 Yds. @ 5/- per yd. Charges, packing 10/6, Tickets 5/-, Freight @ 25/- and 10% per steamer ton, measurement of Bale, 42″ × 28″ × 18″. Shipping Charges and B/L., 3/6, Insurance on amount of Invoice at 7/6% plus 10%, Commission 2½%.
9. What is a Bond Note, and what are *bonded goods*?
10. Explain the terms Drawback and Drawback Debentures.
11. Describe the *clearance outwards* of a ship.
12. Why are *Certificates of Origin* required and for what countries?
13. What is a *Consular Invoice* and for which countries are they required?
14. What documents are required when goods are to be transhipped?
15. Convert £25 16 6 into francs at 25.30 exchange.
    ,, 5660 francs into £ s. d. at 25.25 exchange.
    ,, £25 16 6 into Roubles at 2s. 1d. exchange.
    ,, 1000 Roubles into £ s. d. at 2s. 1d. exchange.
16. Define the terms Loco; F.O.B.; C. & F.; C.I.F.; and Franco.
17. Make a Loco Invoice for the following goods shipped by R. Williams & Co., Manchester, to Ilford Bros., New York, per Steamer "Majestic" from Liverpool, in one case marked I.B. 763; 20 Pcs. Black Cotton Linings. 1400 Yds. (total) at 10d. per yard. Charges, Packing 14s. 6d, Carriage to Liverpool 7s. 6d., freight at 12s. 6d. and 10% per ton, measurement 3′ 2″ × 2′ 4″ × 1′ 10″. Shipping Charges and Bill of Lading 3s. 4d., and Marine Insurance at 3s. 6d. % and stamp, 2½% commission.
18. Make a F.O.B. Invoice for the same.
19. Make a C.I.F. Invoice for the same goods delivered in Bombay, rate of exchange 1s. 4½d. per rupee.
20. Make a Franco Invoice for the same goods franco Paris, Import duty and charges 120 francs. Exchange 25.32.

PARTNERSHIP.

Trade is carried on by (1) Sole traders, (2) Private firms or partnerships, (3) Limited partnerships, (4) Joint Stock companies, or (5) Municipal and other corporations. A **Sole Trader** is one who carries on business at his own risk and for his own exclusive account.

A **Private Firm** or **Partnership** is the voluntary *unincorporated* association of two or more persons, who contribute money, effects, labour, care, or skill, for the purpose of carrying on, as principals, a common undertaking, for a lawful object, for their common profit. The law of partnership has been declared and amended by **The Partnership Act, 1890,** which defines partnership as "the relation which subsists between persons carrying on business with a view of profit." The partnership **contract** need not be in writing, but may be entered into verbally, or inferred from the conduct of the parties. An agreement in writing for a partnership is designated by the name of **Articles of Partnership,** and, although not absolutely necessary, it is customary and expedient that such an agreement, setting forth all the terms arranged between the partners, should be prepared by a solicitor. The **Articles** should, at least, state (1) the nature of the business, (2) the firm name or style under which it is to be known, (3) the trade mark adopted, if any, (4) its duration, (5) premiums, if any, (6) amount and proportion of capital, (7) interest and allowances to partners, (8) conduct and powers of partners, (9) division of profits, (10) dissolution or method of winding up, (11) goodwill, (12) arbitration clause. A partnership is said to be **at will** when no limit has been fixed to its duration, and it may therefore be dissolved at any time; while a partnership for a **term** is that for which the time of dissolution has been previously fixed by the original agreement.

Persons who have entered into partnership with another are called collectively a **firm,** and are **co-partners** to each other, the name under which they carry on business being the **firm name.** Partners may be active, dormant or nominal. **Active** or **ordinary partners** are those who have joined together their money or labour with a view to the acquisition of gain, and who are known to the public in such capacity. A **dormant, sleeping** or **silent partner** is, on the contrary, one who does not appear to the world as a partner, although he participates in the profits and is ordinarily responsible for the engagements of the firm. A **nominal** or **ostensible partner** is one who, without entering into any contract, incurs the liabilities of a partner, as between himself and third persons dealing with the firm, by lending his name and credit to a firm, or in any manner holding himself out as a partner therein, even without disclosing his name, if such holding out has come to the knowledge of such third person.

Each partner is deemed the **agent** of the rest, whether they be actual or nominal, acting or dormant, and has authority, as such,

to bind them to any person dealing boná-fide by such contracts respecting the goods or business of the firm as are within the ordinary scope of the partnership dealing. Every partner is liable jointly (and severally in Scotland) for the **debts** incurred by or on behalf of the firm in the ordinary course of business; in fact to this extent, each partner is an agent of and for the others. This liability extends to wrongful acts done in furtherance of the partnership business.

Dissolution of partnership may be effected (1) by effluxion of time, if entered into for a fixed term, (2) by notice, if the partnership is for an undefined time, *i.e.*, a partnership at will, (3) by death or bankruptcy of any partner, unless there is an agreement to the contrary between the partners, (4) at the option of the other partners by one of the partners suffering his share of the partnership property to be charged for his separate debt, (5) by the happening of any event which makes the partnership illegal, (6) by judgment of the Chancery Division of the High Court of Justice, which may be obtained on various grounds, such as lunacy of a partner, or permanent incapability of a partner to perform his duties. When a **partner retires,** the other partners may agree to hold him free of all liabilities already incurred, and this, if assented to by the creditors, will give him a complete release; if the creditors are not partners to this agreement, he is still a debtor. A retiring member is not as such liable for debts contracted subsequently to his retirement, but he may be so if he continues an apparent member of the firm as regards persons who are not aware that he has ceased to be a partner. In order to escape liability for future transactions of the firm, he should give **actual notice** to **customers** who were in the habit of dealing with it, but a **notice** in the **London Gazette** will be sufficient as regards persons who had no dealings with the firm before the date of the dissolution or change, and it is advisable in case of **local firms** to give further **notice** through the **local papers.** A dormant partner is not liable for debts contracted after his retirement, neither is the estate of a partner who dies or becomes bankrupt.

The **creditors** of the **partnership** have the right to the payment of their debts out of the **partnership funds,** before the private creditors of any of the partners. On the other hand, the **separate creditors** of each partner are entitled to be first paid out of the **separate effects** of their debtor, before the partnership creditors can claim anything.

Subject to any agreement, expressed or implied, all the partners are entitled to **share equally** in the **capital** and **profits** of the business, and must contribute equally towards the losses. A partner must *not* make private gain out of the partnership, or compete with the firm. All profits made by a partner in any business which he carries on in rivalry with the firm to which he belongs must be accounted for. The partnership books must be kept at the place of business, and every partner may have free access to, and inspect and copy any of them. No partner is entitled to deprive his co-partner of his right to inspect the accounts by keeping them in a private book of his own. The

object of keeping **partnership accounts** is to show (1) how the firm stands as regards strangers; (2) how it stands towards its own members. The **Articles,** therefore, should provide not only for keeping proper books of account and for entry therein of all receipts and payments but also for the preparation annually, at least, of a Profit and Loss Account and Balance Sheet. The Articles should also always contain a clause that the **accounts** when **signed** shall be treated as **conclusive,** and shall not be opened except for some manifest error discovered within a given time. It is usual to treat all the accounts of a partnership as accounts of the firm, and to deal with the accounts of each partner as if he were simply a debtor or creditor of the firm. Each partner's share of profit or loss is determined either by a verbal agreement, or the Articles, and in the absence of both, then the Partnership Act provides that it shall be divided **equally.** A **rest** in partnership accounts means that some particular account is to be closed at the date of the rest for the purpose of adjustment. When such an account is one bearing **interest,** it implies that compound interest is to be calculated from the date of such rest to the next rest. Thus Brown, a partner in a firm, lends money to the firm at the rate of 5 per cent, with half-yearly rests upon that account. This statement implies compound interest every half-year. **Salaries** of **partners** must always be charged to the Profit and Loss Account, while **Drawings** must be debited to their respective drawing or current accounts.

The Limited Partnerships Act, 1907, which came into operation on the 1st January, 1908, allows a new kind of partnership to be constituted, consisting of one or more *general partners,* who are liable for all the debts of the partnership, and one or more *limited partners* who are liable for such debts to a stated amount only. This Act constitutes for the first time, a trading firm with *limited liability* of one or more of the partners. The limited partner can invest a fixed sum, and can, from time to time, increase such amount if he so desires. He has no power or authority to bind the firm in any way, but he has full rights of investigation, examination and advice. He may, by himself or his agents, at any time inspect the books, and examine into the state and prospects of the business, and may advise with the partners. But should a limited partner take any part in the management of the business he will be liable for all the debts incurred while he continues in the management, as if he were a general partner. Under this statute a young man starting in business can, with reasonable safety, be financed by any friends or relations who may be willing to risk a limited amount of capital as partners of a limited firm. Businesses already established, and finding their progress hampered by insufficient capital, can avail themselves of this simple method of introducing fresh capital, without the expense, trouble and formalities of turning themselves into limited companies.

A limited partnership cannot consist, in the case of a partnership carrying on the business of banking, of more than ten partners, and in the case of any other partnership, of more than twenty partners, and must consist of one or more partners,

called *general partners,* who are liable for all debts and obligations of the firm, and one or more persons to be called *limited partners,* who must, at the time of entering into such partnership, contribute thereto a sum or sums as capital or property valued at a stated amount, and who will *not* be liable for the debts or obligations of the firm, beyond the amount so contributed. A limited partner cannot, during the continuation of the partnership, either directly or indirectly, withdraw any part of his capital, and if he does withdraw any part thereof, he is liable for the debts and obligations of the firm up to the amount so withdrawn.

A limited partnership must be **registered** in accordance with the provisions of the Act, or in default thereof, it will be deemed an ordinary partnership, and every limited partner will be deemed to be a general partner. To obtain such a registration the following particulars, signed by all the partners, must be sent to the Registrar of Joint Stock Companies in London, if in Scotland to the Registrar in Edinburgh, and if in Ireland to Dublin—(*a*) the firm name; (*b*) the general nature of the business; (*c*) the principal place of business; (*d*) the full name of each of the partners; (*e*) the term, if any, for which the partnership is entered into, and the date of its commencement; (*f*) a statement that the partnership is limited, and the description of every limited partner as such; (*g*) the sum contributed by each limited partner, and whether paid in cash or how otherwise. If during the continuance of the limited partnership any change is made or occurs in the matters just specified, a statement, signed by the firm, specifying the nature of the change must, within seven days, be delivered to the Registrar, in default of which each of the general partners shall be liable for a fine not exceeding £1 per day during which the default continues.

The **Statement** of the amount contributed by a limited partner, and the statement of any increase in that amount sent to the Registrar for registration under the Act, is chargeable with ad valorem stamp duty at the rate of 5/- per cent. **Any person** may **inspect** the Statements filed with the Registrar on the payment of a fee of 1/-; and may **demand** a **copy** thereof on payment of the copying fee.

The Act provides that, subject to any agreement, express or implied :—(*a*) Any **difference** connected with the partnership business as to ordinary matters may be decided by a majority of the general partners, (*b*) a limited partner may, with the consent of the general partners, assign his shares, (*c*) the general partners shall not be entitled to dissolve if a limited partner charges his share for his separate debt, (*d*) a new partner may be introduced without the consent of the limited partners, (*e*) a limited partner is not entitled to dissolve the partnership by notice. A limited partnership cannot be **dissolved** by the death or bankruptcy of a limited partner, and the lunacy of a limited partner is no ground for the dissolution of the partnership by the Court, unless the lunatic's share cannot otherwise be ascertained and realised.

Notice of any arrangement or transaction under which any person ceases to be a general partner and becomes a limited

partner, or under which the share of a limited partner is assigned to any person, must be forthwith advertised in either the London, Edinburgh, or Dublin Gazette, according to the situation of the registered office of the firm, and until notice of the arrangement or transaction is so advertised it is deemed to be of no effect.

TEST PAPER 25.

1. By whom is trade carried on?

2. Define a Private Partnership.

3. Describe the document in which the contract of partnership is usually embodied.

4. Explain the difference between Active, Dormant and Nominal Partners.

5. What authority has each partner towards the rest of his partners?

6. By what methods may dissolution of partnership be effected?

7. How should the creditors and public be made aware of the retirement of a partner?

8. What are the respective rights of creditors of a partnership and the separate creditors of the partners?

9. In the absence of any agreement how is the capital and how are the profits of a partnership divided?

10. What is the object of keeping Partnership Accounts?

11. What is meant by a Rest in Partnership Accounts?

12. What is the principal feature of The Limited Partnerships Act, 1907?

13. What are the restrictions applicable to Limited Partners?

14. What formality must be observed with a Limited Partnership which does not apply to an Ordinary Partnership?

15. How may the public ascertain who are the Limited Partners in a firm and the amount contributed by them?

16. What are the differences between the Law concerning the dissolution of an Ordinary Partnership and a Limited Partnership?

JOINT STOCK COMPANIES.

A **JOINT STOCK COMPANY** is an association of individuals for the purpose of engaging in any undertaking, trade or business. Lord Justice Lindley defines a company as "an association of members, the shares of which are transferable. As distinguished from a partnership, I know of nothing else except the transferability of shares." But with regard to an *incorporated* company there are other important distinctions, *e.g.*, that, while in a partnership firm each partner is personally responsible for all the debts contracted by the firm, in an incorporated company the members have no individual liability to its creditors for debts owing by the company, and their personal liability is satisfied if they pay the calls properly made upon them by the company or its liquidator. A company may either be limited or **unlimited.** In the latter case the members or shareholders are personally liable to contribute rateably to the payment of the whole of the debts of the concern, as well as the costs of liquidation. On the contrary, the liability of the members or shareholders of a **limited company** is strictly limited to the amount of the shares for which they have subscribed, or agreed to be responsible. For instance, should you have applied for, and been allotted a share of £100 in a company which subsequently fails, the limit of your loss would be £100. A company is a distinct legal personality, and can own and deal with property, sue and be sued, in its own name, and contract on its own behalf, and the members are not *personally* entitled to the benefits, or liable for the burdens arising thereby; their rights are confined to receiving from the company their share of the profits, or, after winding up, of the surplus assets. The creditors of a limited company accordingly know that they cannot, as in the case of a partnership, look to the whole property of the individual members, to pay them, but are restricted to the property of the company.

No partnership consisting of more than *ten* persons can be formed to carry on the business of *banking,* and no partnership of more than *twenty* persons to carry on *any other business* having the acquisition of gain as its object, unless it is registered as a company under section 1 of **The Companies (Consolidation) Act, 1908,** or formed under some Act of Parliament or Charter, like a British Railway Co., or is a Cost Book Mining Company.

Under the Companies Act, 1908, any persons, whether British subjects or foreigners, may, for any lawful purpose, form an incorporated company, which may be one of **four kinds,** viz.:—(1) A Company with Unlimited Liability, with or without a capital divided into shares; (2) A Company with its Liability Limited by shares; (3) A Company with its Liability Limited by Guarantee and not having a capital divided into shares; or (4) a Company with its Liability Limited by Guarantee and having a capital divided into shares.

Very few companies are now registered with **Unlimited** Liability, and many banking and other companies, originally constituted as Unlimited Companies, have been **re-registered** with Limited Liability under the power to do so, conferred by The Companies Act, 1879. The members of an Unlimited Company are liable to calls until the whole of the company's debts and obligations, however heavy they may be, are paid; but they can only be called upon *pro ratâ* according to their interest in the company, and their liability is altogether at an end one year after they have ceased to be members. In these two particulars Unlimited Companies have important advantages over Private Partnerships and Limited Partnerships registered under The Limited Partnerships Act, 1907, so far as the "general partners" are concerned.

Companies Limited by **Guarantee** are usually formed for the purpose of carrying on business as mutual insurance and trade protection societies, social, athletic, and other clubs, and concerns in which it is *not* intended to make a profit. The principle on which these companies are constituted is that each person who becomes a member undertakes to contribute to the assets of the company, in the event of the same being wound up during the time that he is a member, or within one year afterwards, for the payment of the debts and liabilities of the company contracted before the time at which he ceases to be a member, and of the costs, charges, and expenses of winding up the company, and for the adjustment of the rights of the contributories amongst themselves, such an amount as may be required, not exceeding a specified amount. There are **two kinds** of **Guarantee Companies,** viz. :—(*a*) Companies Limited by Guarantee and *not* having a capital divided into shares, and (*b*) those *having* a capital divided into shares. In the case of the former the Memorandum of Association has only four clauses, of which the first three are the same as those required for a Company Limited by Shares, and the fourth is a declaration as to the amount to be contributed by each member of the company in the event of a winding up. But in the case of Guarantee Companies *having* a capital divided into shares registered since 1900, a fifth clause must be added, stating the capital, which is subject to increase or reduction in accordance with the Companies Act.

Companies formed after 30th June, 1908, are divided into *public companies* and *private companies*. To put it shortly, a **public company** is one carried on by means of capital subscribed by the public at large, and a **private company** one which does not appeal to the general public by a prospectus or advertisement to subscribe its capital; the capital being already there or ready to be subscribed. The shares are intended to be kept in few hands, the control in still fewer, generally the former partners of the firm. Where one partner possesses an overwhelming influence, and is entitled to nearly the whole of the profits, the company is known as a "One Man Company."

A **Private Company** may be registered by any **two** or more persons, provided that by its articles it (1) restricts the right to transfer its shares, (2) limits the number of its members (exclusive

of persons who are in the employment of the company) to fifty, and (3) prohibits any invitation to the public to subscribe for any shares or debentures of the company. Hitherto it has been necessary for seven persons to combine to form a limited company, and it has been necessary to keep up its number of members to at least seven, but in future two will suffice. The private company will be found extremely useful in the case of partners wishing to have the benefit of the protection of limited liability, and yet not wishing to have to disclose, either in a prospectus or in the statement in lieu of prospectus, the particulars required to be made by public companies, and not wishing to make public in its Annual Summary an audited statement in the nature of a balance sheet.

Private Companies have an undoubted **advantage** over "Limited Partnerships." The liability of each member of a private company may be limited to the capital actually put in, or it may be limited to a stated amount representing the amount unpaid on shares subscribed, or it may be unlimited; the provisions being very elastic and capable of application to any requirement. The liability of a member of a limited partnership, must either be unlimited or else limited to the capital contributed, unless the limited partner takes any part in the management, when the limit ceases to exist. If any difference arises as to the conduct of the business, the majority of the directors of a private company, including the capitalist-director, and ultimately the members, according to the voting control, have the power to decide; but in a limited partnership a majority of the general partners, *i.e.*, not the limited or capitalist partner, control. For practical purposes private companies and limited partnerships are on the same footing as to giving notices to the registrar, of alterations in the constitution of the board of directors in the one case, or in the members of the partnership in the other.

A **Public Company** is an *incorporated* association of **seven** or more individuals for the purpose of engaging in any undertaking, trade, or business. Every company formed under the Act must have a Memorandum of Association, the registration of which, after having been duly subscribed, is the formal creation of the company, and from that time its corporate existence is recognised by law.

Registration is effected by lodging with the Registrar of Joint Stock Companies, Somerset House, London, W.C., Parliament Square, Edinburgh, or Custom House, Dublin, (according to the country in which the registered office is to be situate) a Memorandum of Association, usually printed, although it may be written. When the company does not adopt "Table A" and is to be governed by its own Articles of Association, (which is almost invariably the case with companies of any magnitude), the *printed* Articles must also accompany the Memorandum, both of which must be signed and subscribed by the "*signatories,*" that is, the original subscribers, who must subscribe not less than one share each. If everything is in order and the stamp duties and fees paid, the Registrar will issue a *Certificate of Incorporation*. From that moment the company has a

legal existence, with perpetual succession and a common seal. It may, if a private company, from that date transact its business, and is a valid company. In the case of **public** companies the applicant must also deliver to the Registrar a list of the persons who have consented to be directors, and a consent in writing, signed by each director, or by his agent, to act as such director must be filed and if each director has not signed the memorandum for a number of shares not less than his qualification, a contract in writing to take and pay for his qualification shares must also be filed. The requisites for registration in the case of a *public* company are:—(1) memorandum; (2) articles; (3) list of directors; (4) signed consents of all directors named to act; (5) contract by directors to pay for their qualifying shares; (6) statutory declaration by a solicitor engaged in the formation, or by a director or secretary of the company that the requirements of the Companies Acts as to registration have been complied with.

The **Memorandum of Association** is the charter of the company, which defines its powers and states its objects and intentions; outside the limits of the memorandum the company cannot go. This document must contain:—(1) The name of the company, with the word *Limited* as the last word in such name. (2) The country where the Registered Office is to be situate. (3) The objects of the company. (4) A declaration that the liability of the members is limited. (5) The amount of capital, and how it is divided; subject to the following regulations (*a*) that no subscriber shall take less than one share, (*b*) that each subscriber to the Memorandum shall write opposite to his name the number of shares he agrees to take.

The **Articles of Association** are the rules, regulations, and by-laws to govern the internal affairs of the company, and play a subsidiary part to the Memorandum, which contains the fundamental conditions. They must be consistent with the statutes, as the Courts will ignore any article attempting to over-ride the statutory rights of members. A *model form* of Articles known as **Table A** constitute the code of regulations for the management of a limited company, unless expressly excluded or modified by the *special* Articles. Articles 103 to 108 of Table A state that the directors shall cause true accounts to be kept of all assets and liabilities, receipts and payments, profits and losses, and that an annual Balance Sheet shall be printed and sent to every member seven days before the general meeting of the company. The B/S. shall be accompanied by a report of the directors as to the state of the company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.

Capital. The principal difference between the accounts of a Private Trader or a Partnership and those of a Limited Company is in the organisation of the capital and the consequent distribution of the profits. With Joint Stock Companies the **capital** is generally the property of a large number of shareholders, who

hold **shares** which represent the equal portions into which the capital is divided, each shareholder being entitled to a portion of the company's profits corresponding to the number of shares he holds. A Company cannot purchase its own shares or reduce its Share Capital without obtaining the sanction of the Court. The **Nominal** or **Registered** or **Authorised Capital** is the sum stated in the Memorandum as the maximum amount which the directors have power to raise; say 50,000 shares of £1 each. The **Issued** or **Subscribed Capital** is the amount offered and subscribed for, and subsequently allotted in shares or stock to the public and the vendors; say, £45,000, thus leaving £5,000 **Unissued Capital,** to be issued at a later date if the directors wish. The **Called-up Capital** is that portion of the Subscribed Capital which the Directors require in order to carry on the business of the Company; say, 10/- per share = £22,500. The **Paid-up Capital** is that part of the Called-up Capital which has actually been received in cash by the Company from the shareholders, say, £22,400; one shareholder having failed to pay the "call" made upon him. The term **Working Capital** is used to indicate the amount of *Paid-up Capital, plus Debentures,* available for carrying on the business of a company, *after* the purchase price has been paid.

Shares are classified and named according to the rights attached to them by the Articles of Association. **Ordinary Shares** are portions of a company's trading capital, entitling their owners to a limited or an unlimited proportional part of the profits after all prior charges have been paid and all preferential interests have been satisfied. Preferred or **Preference Shares** may either (*a*) give a preferential right only as to the fixed rate of dividend, or (*b*) to the return of capital also. In either case the preferential dividend may be **cumulative,** or it may be payable only out of the profits of each year. If the dividend be cumulative and the profits realised in any one year, or any series of years, be insufficient to pay the guaranteed dividend, such arrears or accumulated dividends must be paid out of the first available profits in any succeeding year, before any dividend is paid on the other shares. **Arrears** of cumulative dividends being a *contingent liability,* should be shown on the face of the B/S. **Deferred Shares** are so called because the rights of the holders to dividend are postponed until the other shareholders have received a stated percentage, or until the expiration of a certain period. **Founders'** or **Management Shares** which are usually few in number, are generally taken by the promoters, or the underwriters of the share capital, in order to reimburse the expenses incurred by them in the flotation of the Company. These shares have a *deferred* interest in the profits of the Company, usually receiving one-quarter or one-half of the net profits after a fixed percentage has been paid on the Ordinary Shares and a certain amount placed to the Reserve Fund. When the surplus profits are large these shares become very valuable.

Loans. The usual form of borrowing by a Company is on **Debentures,** which are bonds given under the seal of the Company as security for a loan. Debentures may be either (*a*) a mere

promise to pay, or (*b*) a promise to pay secured by a **mortgage** of the real estate, and a first charge on all the undertakings and assets of the business. The former class (*a*) containing *no* charge upon any of the company's property, is termed a *simple* or *naked* debenture; while the latter class (*b*) is known as a *mortgage debenture*. It must be remembered that a debenture holder is only a *creditor*, and not a member of the Company, and that, if it is not a **mortgage debenture**, the holder, in the event of liquidation, will only occupy the same position as an ordinary *trade creditor*. *Redeemable* debentures are those which provide for repayment of the principal sums upon a given date or upon notice. *Irredeemable* debentures are those which are issued upon condition that the principal sums secured are repayable only in default of payment of interest or on the winding up of the company. **Debenture Stock** is merely borrowed capital *consolidated* into one mass for the sake of convenience. Debentures are only transferable in their entirety, but stock may be transferred in whole or part, provided that such part does not involve a fraction of a stated amount. Usually a stock is made transferable in multiples of £10. **Interest** on Debentures, after deducting the income tax, is usually paid half-yearly, so long as there are any *assets* out of which to pay it. In this respect it is different from a *dividend* upon shares, which is only payable out of profits.

Terms of Issue. Shares and Debentures may be issued at **par** or at a **premium**, and debentures only at a **discount**, but the actual liability of a company is measured by the *nominal* amount in question. As an example of an issue at a **premium**, redeemable at *par*, take £50,000 4% Debentures issued at £102%, resulting in the receipt by the Coy. of £51,000. As the Coy. will only be required to pay the 4% interest on the *par value* of the Debentures, viz. :—£50,000, the excess of £1000 received by issuing at a premium is a clear gain. Supposing that the £50,000 Debentures had been issued (*a*) at a *discount*, say £98 redeemable at par, or (*b*) at *par*, redeemable at a premium, say £102, the cash received in each case would be £1000 *less* than would be required to repay or redeem the Debentures at the expiration of say 20 years. With the object of providing this deficiency of £1000 at the time of redemption, the sum of £50—one-twentieth—should be charged against the profits annually.

Prospectus. The most important practical matter connected with the formation of a Company is the obtaining of capital, and except in the case of converting private businesses into Companies, and in a few cases where money is privately subscribed, this is done by means of a **prospectus**, which is an invitation to the public or the persons to whom it is addressed, to become shareholders or to take up debentures. Every prospectus issued by or on behalf of a company or in relation to an intended company must be (1) dated, (2) signed by every director or proposed director or by his agent authorised in writing, and (3) filed with the Registrar on or before its publication. It is necessary that the Prospectus should include the following particulars :—(1) Memorandum; Signatories, their descriptions and holdings,

must be on prospectus, but need not be published in newspaper advertisements. (2) The number of founders' or management shares, and their interest in the property and profits. (3) Directors' description and addresses; their qualification and article as to remuneration. (4) The minimum cash subscription for allotment fixed by memorandum or articles and prospectus. (5) Amount per share payable on application (not less than five per cent.) and on allotment. (6) Particulars of shares and debentures issued as fully or partly paid and the consideration for their issue. (7) The names and addresses of all vendors, whether actual or original, including lessors, who receive any part of the proceeds of the issue. (8) The purchase price of the property; "goodwill" being separately stated. (9) The commission for underwriting the shares (not debentures) fixed by the articles and prospectus. (10) The amount or estimate of preliminary expenses. (11) The amount payable to the promoters and the consideration therefor. (12) Dates and parties to all material contracts within three years other than those in the ordinary course of business, and reasonable time and place for inspection. (13) The names and addresses of the auditors (if any). (14) Full disclosure of any personal interest of any director in the transaction; and of all moneys or shares paid or receivable by him. (15) Date of prospectus, and on its face the fact of filing with Registrar. With the view of familiarising himself with the general character and scope of prospectuses the student is advised to peruse a few of those advertised in the daily newspapers and trade journals.

A **Statement** in **Lieu** of **Prospectus** must be filed by every new public company which does not issue a prospectus. It must be signed by every person who is named in it as a director, or proposed director, or by his authorised agent. The statement must give practically the same particulars as would have to be stated in a prospectus. The only additional material requirement is that it must disclose the nature of any provisions in the articles precluding holders of shares or debentures receiving and inspecting balance sheets or reports of the auditors or other reports.

Along with the prospectus there is enclosed a printed form of **Letter of Application,** which should be filled up by the applicant, requesting the allotment of a specified number of shares, and enclosing a cheque for the sum stipulated to be paid, which must not be less than five per cent. of the nominal amount of each share. If the minimum cash subscription is not provided, the directors cannot allot, and they must, in that event, within forty days from the issue of the prospectus, return all moneys paid on application or become personally liable to the applicants. Upon receipt of sufficient applications for shares to justify the company going to allotment, the directors meet and pass a resolution allotting the shares to such applicants as they think fit, and the secretary then forwards **Letters of Allotment** requesting payment of the amount due on allotment, to those persons receiving an allotment, and **Letters of Regret,** with cheques for the return of the deposit, to those whose applications are refused. At the **Statutory Meeting** of shareholders, which must be held not earlier

than one month nor later than three months after the allotment, full particulars must be given as to the subscribed capital; the amount paid up; the names of the directors; the amount of the preliminary expenses; and an audited abstract of all receipts and payments. All these particulars embodied in a report must be circulated amongst the shareholders seven days before the meeting and filed with the Registrar. A list of the members and their respective holdings must be open to inspection throughout the meeting.

Account Books are of two kinds: (1) the ordinary **Financial** or **Account Books** which are essential to every concern; (2) **Registry** or **Statistical Books,** for recording various details which it is not advisable to crowd into the ordinary account books. For instance, a book recording an analysis of sales as regards periods of time, classes of goods, or districts supplied; the Policy Register of an Insurance Co.; the Ground Rent Register of a landlord; the Mortgage Register of a Building Society; the Share Register of a company; &c.

In order to comply with the Companies Act a Joint Stock Company **must** keep at least **five Statutory Books. (1) Minute Book,** recording all resolutions and proceedings at meetings of the Directors, Managers, or Members of the Company, sometimes divided into two books, one for the Directors' Minutes and the other for the Minutes of the General Meetings of the Shareholders; **(2) Register of Directors and Managers,** showing names, addresses and occupations of, and shares held by each of them; **(3) Register of Members** or **Share Register,** stating their names, addresses and occupations, and a statement of the number of shares held by each member, the distinguishing numbers and the amount paid, or agreed to be considered as paid, on the shares, the date of becoming a member, and the date of ceasing to be a member. The Register of Members must be kept at the registered office of the company, and, except when closed for the purpose of preparing the Dividend List, must be open to the **inspection** of **Members** *free of charge,* and to the **public** upon payment of **one shilling,** for at least two hours per day. It is customary to close the Register from seven to fourteen days prior to the annual general meeting, but it may not be closed for more than thirty days in each year; **(4) Register** of **Mortgages** and **Charges** specifically affecting the property of the company, and must enter into such Register in respect of each Mortgage a description of the property, the amount of the charge, and the names of the Mortgagees; **(5) Annual Summary** of **Capital** and **Shares Book,** showing summary of Capital and Mortgages, List of Members and Directors. An annual return known as "Form E.," copied from this book, giving a full List of all the Members and Directors; number of shares held by each of them; particulars of those who have ceased to be members since the date of the last list, &c.; also summary of the Capital and the forfeited shares; and the total amount secured on mortgage, is required to be made up to the fourteenth day after the Ordinary General Meeting and transmitted to the

Registrar of Joint Stock Companies within seven days of its date. A **copy** of this summary and List of Members may be **demanded** by **any person** at the company's registered office, on payment of sixpence for every hundred words required to be copied. The penalty for refusal to supply such copy is two pounds per day. A **copy** of the Annual Summary, Balance Sheet, and List of Members may also be obtained from the Companies' Registered Office, Somerset House, London, W.C., on payment of **4d. per folio** of 72 words. The charge for **inspection only**, at Somerset House, is **1/-**.

Preliminary or **Formation Expenses** include the cost of the preparation, circulation and advertising of the prospectus, the preparation and printing of the Memorandum and Articles of Association, the fees payable on filing the necessary documents with the Registrar, and generally all legal, accountancy, and other work transacted on behalf of the company until the allotment of shares. Unless paid by the promoter or vendor, it is usual to take powers in the Memorandum to pay such expenses.

Transfer of Shares. The main distinction between a partnership and a company is that in the latter the members can transfer their shares without the consent of their co-members, unless specially forbidden by the Articles of Association. The original allottee of the shares of a company remains entitled to the benefit and subject to the obligations of the shares until he has got rid of them, either by (*a*) transfer, (*b*) death or bankruptcy, or (*c*) forfeiture or surrender. The first two are commonly referred to as *the Transfer and Transmission of Shares*. After the Form of Transfer has been completed by the parties and deposited with, and passed by, the secretary, he will record the transaction in the **Register of Transfers.** It will thus be seen that the registration of a change of ownership of certain shares does not affect the *Financial Books*, this transaction being merely entered in one of the *Statistical Books*. On the **death** of a shareholder his interest in a company passes on to his executor or administrator, who must produce to the secretary of the company the **Probate** of the **Will** of the deceased shareholder or Letters of Administration to his estate before the secretary can register the name or names of the executors or administrators. In the case of a **bankruptcy** the right to deal with and to receive the profits of the shares at once vests in the trustee, and he is entitled either to transfer the shares or to have himself registered as a shareholder. It is usual to charge a **Registration Fee** of 2/6 on each transfer.

TEST PAPER 26.

1. Define a Joint Stock Company.
2. What are the principal differences between a Limited Company and an Ordinary Partnership?
3. What is the maximum number of methods for a Partnership?
4. Describe the four kinds of Companies which may be incorporated.

5. What are the principal differences between Private and Public Companies?

6. What are the advantages of Private Companies over Limited Partnerships?

7. Describe the formalities preliminary to the incorporation of a Company under The Companies Act.

8. Define a Memorandum of Association.

9. What purpose do the Articles of Association serve, and is it absolutely necessary that special Articles of Association should be prepared for each Company?

10. Describe the various kinds of Capital.

11. Explain the difference between Ordinary, Preference, Deferred and Founders' Shares, showing which present the greatest security for the capital invested, and which are likely to be the most profitable in a successful concern.

12. By what methods do Limited Companies usually raise loans?

13. Explain the terms *par, premium, discount*, in relation to shares and debentures.

14. Name and define the document by which a company appeals to the public for subscriptions and state the principal clauses therein.

15. When it is undesirable to file a Prospectus with the Registrar of Joint Stock Companies, what other document may be substituted and what must it show?

16. Explain a Letter of Application, a Letter of Allotment, and a Letter of Regret.

17. When must the first Statutory Meeting of an Incorporated Company be held and what must be circulated amongst the shareholders before such meeting?

18. Name and describe the books which *must* be kept by an Incorporated Company.

19. Upon what conditions have the members of the company and the public access to the Register of Members of the company, and how may a copy of such Register be obtained?

20. What are Preliminary Expenses?

21. When are shares transferable?

22. In the case of a Sale of Shares, what document must be produced to the secretary of the company to justify him in recording the transaction and what is the fee payable on such registration?

23. What must be produced to the secretary of a company on the death of a shareholder so as to secure transfer of shares to the party entitled thereto?

24. Who is the party entitled to the transfer of shares in the case of a bankruptcy?

THE STOCK EXCHANGE.

While a member of a partnership is not entitled to transfer his share in a business without the consent of his co-partners, he may, on the other hand, freely transfer his share in a joint stock company to almost anyone he pleases. This transferability of shares is the principal difference between the holding of capital in a partnership and a company. The past century has witnessed an enormous increase in the establishment of joint stock companies in all departments of industry. The total number of Companies in existence in the United Kingdom in 1913 was about 64,000, with a total paid-up Capital of about £2,532,000,000. It is, of course, absolutely necessary that there should be some channel for the acquisition and disposal of the stocks and shares, which represent the market valuation of these 64,000 businesses, as well as the loans of Governments and Municipal Corporations. As with every commodity forming the subject of considerable exchange, so with stocks and shares, a **market** has been formed in the Metropolis and the principal provincial cities.

The **STOCK EXCHANGE,** Throgmorton Street, London, is the principal place in England for the transaction of business in Stocks and Shares, where Home and Foreign Government securities, Home, Colonial and Foreign Railway stocks and shares, Corporation stocks, bank, brewery, canal, iron, coal, and industrial shares, are bought and sold. It consists of **Members** who are generally elected by ballot, after having spent four years in the "House" in the capacity of "Clerk" to a member. On **election,** such a member must pay an entrance fee of 250 guineas, an annual subscription of 40 guineas, find two sureties for £300 each, and must buy at least one share of the Stock Exchange, the present price of which is about £200 (the paid-up par value being only £12). Anyone wishing to be admitted a member without having spent four years as clerk, and without waiting until he is elected by ballot must pay an entrance fee of about 500 guineas, nomination fee of £100, besides having to purchase three shares in the Stock Exchange (about another £600), and the annual fee of 40 guineas—total amount for the first year of about £1267.

The **members** enjoy the prestige afforded by connection with the Stock Exchange, and by its rules and regulations are prevented from advertising or circularising any other than their own clients. Members are divided into **two classes,** *Jobbers* and *Brokers*. The **Jobbers** have generally no relation with the public, but sell to and buy from other Jobbers and the Brokers. The **Brokers** buy and sell Stocks and Shares for and on behalf of the public for a commission or brokerage. They resort to a

Jobber who keeps a supply of Stocks and Shares, usually of a specific class, and who is ready to buy or sell as the case may be. The Jobber **quotes two prices,** one being that at which he is willing to purchase, and the other that for which he will sell. The Jobber does not know whether the Broker is an intending buyer or seller, but he is *bound* either to buy or sell at the price he has named. The Jobber's profit is made on the "turn," that is the *difference* between the two prices. The **difference** varies in different Stocks and Shares, and it is not always the same in the same Stocks. Sometimes the difference is $\frac{1}{8}$th, as in Consols, sometimes $\frac{1}{4}$th, as in some American Rails, sometimes $\frac{1}{2}$, as in some Home Rails, in others it is 1, 2, and 3, and more points between the buying price and the selling price. For instance, if the Jobber were to quote 144/144½ it would mean that he would buy at £144 and sell at £144 10/- per £100 Stock. If the difference is small it is called a "Close" price. If the difference is great it is called a "Wide" price. The price of some Stocks varies between very wide limits. It is the supply of and demand for them which controls the prices, but there are many circumstances which cause people to be buyers or sellers, and therefore cause fluctuations in the prices. Among the causes which affect the prices of **Home Rails** are the increase or decrease in the Traffic Returns, which, of course, are affected by the trade of the country, or by the large or small number of passengers by rail; the increase or decrease in the dividends; or the increase or the decrease of Bank Rate. Strikes cause a depression in prices.

PURCHASE of STOCKS or SHARES is carried out in the following manner:—The intending purchaser instructs his broker to purchase a certain number of shares, say, 1000 Maypole Dairy 20% Preferred Shares at 17/3 "or better." The words "or better" mean that if the Broker can obtain the shares at a *lower* price than that stated he must do so. In telegraphing for Home Rail Stocks "1 L. & Y." is equivalent to £1000 L. & Y. Stock.

It must be remembered that a **Stock** and **Share Broker** is an **agent,** working on *commission,* and is only entitled to charge for the shares at the price he has bought, plus commission. A **Contract Note,** as follows, would be sent by the broker on the same day declaring that the shares had been bought, and showing (1) the cost of the shares, (2) commission, (3) government transfer stamp, (4) government contract stamp, and (5) the company's registration fee. The buyer, in every transaction, pays the transfer stamp and registration fee, the seller being free in this respect. The company's **registration fee** varies, but is generally 2/6 per transfer deed. In the case of a person requiring shares and the selling broker selling fifty in two lots of 20 and 30 from different people, the buyer may, of course, refuse to pay more than one transfer fee; the selling broker would have to pay the other fee, in which case he would, no doubt, charge to his clients with the holding of 20 and 30 shares respectively a "split fee" of 1/3 each.

Specimen Contract or Bought Note.

E. W. HARRIS & Co.,
Stock and Share Brokers.

9 Lombard Street,

Telegrams: "Gold, Leeds."
Telephone No. 1066.

LEEDS, 4th February, 1915.

To Charles Sterne, Esq.

We have this day Bought by your order and for your Account Subject to the Rules and Regulations of the London Stock Exchange.

	£	s.	d.
1000 Maypole Dairy 20% Preference Shares @ 17/3	862	10	-
Commission @ 8d.	12 10 -		
Govt. Transfer Duty	4 10 -		
Govt. Contract Stamp	2 -		
Registration Fee	2 6	17	4 6
	£	879	14 6

For Settlement 10th February, Ckt. by A.F. E. & O. E.

Stamp **2s.** Contract Note.

E. W. HARRIS & CO.,

Members of the Stock Exchange, Leeds.

The **Sale** of **Stocks** and **Shares** is carried out in almost the same way as a purchase. The intending seller instructs his broker to sell a certain number of shares, say, "100 J. & P. Coats, Ordy." at 8 (meaning £1) or better. The words "or better" here mean that the Broker must obtain a *higher* price if possible than that stated. The seller does not pay transfer duty or registration fees. The Contract Note would be as follows:—

Specimen Contract or Sold Note.

E. W. HARRIS & Co.,
Stock and Share Brokers.

9 Lombard Street,

Telegrams: "Gold, Leeds."
Telephone No. 1066.

LEEDS, 13th February, 1915.

To Charles Sterne, Esq.

We have this day Sold by your order and for your Account Subject to the Rules and Regulations of the London Stock Exchange.

	£	s.	d.
100 J. & P. Coats Ordinary @ £8	800	-	-
Commission @ 1/-	5 - -		
Govt. Contract Stamp	2 -	5	2 -
	£	794	18 -

For Settlement 24th February, Ckt. by A.F. E. & O. E.

Stamp **2s.** Contract Note.

E. W. HARRIS & CO.,

Members of the Stock Exchange, Leeds.

Commission (See contract notes). The rate of the Broker's commission varies according to the value of the Stock or Share. It is sometimes charged on the actual value, and sometimes on the nominal. A reasonable scale of commission would be as follows :—

On British and Indian Government Funds Foreign Government Bonds ..... On British and Foreign Corporation Bonds or Stocks, County Stocks and Colonial Government Bonds or Stocks..... On Colonial and Foreign Railway, American Railroad, and other Bonds "to bearer"	¼% on nominal.
On British, Colonial and Foreign Railway or other Companies' registered Stock or Bonds over the value of 30%	½% on actual.
On Bank of England Stock	¼% on actual.

									s.	d.	
On Shares not exceeding 10/- actual										1½	
Over	£0	10	0	and not exceeding	£1	10	0		3		
,,	1	10	0	,, ,,	2	10	0		4½		
,,	2	10	0	,, ,,	5	0	0		6		
,,	5	0	0	,, ,,	7	10	0		9		
,,	7	10	0	,, ,,	10	0	0		1	0	
,,	10	0	0	,, ,,	15	0	0		1	6	
,,	15	0	0	,, ,,	20	0	0		2	0	
,,	20	0	0	,, ,,	25	0	0		2	6	
,,	25	0	0	,, ,,	30	0	0		3	0	
,,	30	0	0	,, ,,	35	0	0		3	6	
,,	35	0	0	,, ,,	40	0	0		4	0	
,,	40	0	0	,, ,,	50	0	0		5	0	
,,	50	0	0	.....	.....				½%	on	actual

Government Contract Stamp. (See contract notes). This is an *ad valorem* duty which must be paid on every contract note relating to the sale or purchase of any security. The rates are as follows :—

									s.	d.
Where the value of the Stock or marketable security is £5 and does not exceed £100 ...										6
Exceeds £	100	and does not exceed	£	500					1	0
,,	500	,, ,,		1000					2	0
,,	1000	,, ,,		1500					3	0
,,	1500	,, ,,		2500					4	0
,,	2500	,, ,,		5000					6	0
,,	5000	,, ,,		7500					8	0
,,	7500	,, ,,		10000					10	0
,,	10000	,, ,,		12500					12	0
,,	12500	,, ,,		15000					14	0
,,	15000	,, ,,		17500					16	0
,,	17500	,, ,,		20000					18	0
,,	20000	.....							£1	0	0

It is provided that "Where a Contract Note advises the purchase or sale of more than one description of stock or marketable security, the Note shall be deemed to be as many Contract Notes as there are descriptions of stocks or securities purchased or sold." This means that where one Contract Note advises the sale of 100 Fine Spinners Ordy. for £150, and 100 English Sewing Cotton Prefs. for £115, there must be affixed to the Contract Note a shilling contract stamp for *each* sale, as each transaction exceeds in value £100 and is under the value of £500. Because the *total* value does not exceed £500 (see previous page), it does not follow that the stamp duty is only 1s. "Stamp duties on a Contract Note are to be denoted by an *adhesive* stamp appropriate to a contract note," *i.e.*, the special stamps provided for contracts only must be used.

Government Transfer Stamp. (See contract note.) This is an *ad valorem* duty, charged by the Government on each transfer of securities, and the stamp must be *embossed* on the transfer deed. The rates are as follows:—

	£	s.	d.
Not exceeding £5		0	6
Over £5 and not exceeding £10		1	0
,, 10 ,, ,, 15		1	6
,, 15 ,, ,, 20		2	0
,, 20 ,, ,, 25		2	6
,, 25 ,, ,, 50		5	0
,, 50 ,, ,, 75		7	6
,, 75 ,, ,, 100		10	0
,, 100 ,, ,, 125		12	6
,, 125 ,, ,, 150		15	0
,, 150 ,, ,, 175		17	6
,, 175 ,, ,, 200	1	0	0
,, 200 ,, ,, 225	1	2	6
,, 225 ,, ,, 250	1	5	0
,, 250 ,, ,, 275	1	7	6
,, 275 ,, ,, 300	1	10	0
And where the purchase or consideration money shall exceed £300, then for every £50, and also for every fractional part of £50		5	0

Stocks and Shares are bought "for the account" or "for cash." **For the account** means that the Stock is to be delivered and paid for on the next periodical "Settlement." There are two **Settlements** per calendar month, about the middle and end of each month, the dates being fixed by the Stock Exchange Committee. The **period** between one settlement and another is called an "account," and all Securities, Stocks, or Shares bought during this period, must be paid for or "carried over" at the end of the Account. A block of Shares may be bought or sold for *one charge* or *commission* for the two transactions, if both are made during the running of one Account; but in the case of a purchase of Shares during the Account ending 11th January, and the sale of the same Shares during the Account ending the 26th January, *two* commissions, one for the purchase and the other for the sale, are payable.

The **Settling Days** extend over three days, the *first* is called the "*Making-up Day*," "*Contango Day*," or "*Continuation Day*." On the **Continuation Day** those operators who wish to "Carry Over" Shares bought and sold during the Account, must arrange this by paying or agreeing to pay a **Contango,** which is a certain percentage on the amount of the Shares, in order to extend the Settlement for the Shares until the following Settlement. An Account ends at 12 noon on the Contango Day, and all bargains open after that time are for the new Account. The **second day** is called **Ticket Day,** as on this day the names and addresses of the buyers and sellers must be delivered, and remittances by post, for Shares bought during the Account, should be made. The **third day** is called **Settlement Day** or **Pay Day,** being the day on which payment is received for Shares and "differences."

In the case of a purchase of Shares, if the name and address of the purchaser have been furnished, and the amount due paid to the buying broker, the "Transfer" is prepared by the selling broker. A **Transfer** is an agreement between two or more persons, the one agreeing to sell and the other agreeing to buy. Most companies will accept the usual form of transfer, as below, but some companies demand that a special form, provided by themselves, shall be used. Abbreviations of "St." for "Street," and "Rd." for "Road," are not permissible, and the date must be written in words.

The **selling broker** having prepared the **Transfer Deed** and obtained the signature of his client (the seller), then hands it over to the buying broker, along with the Share Certificate.

The **buying broker** obtains the buyer's signature to the Transfer Deed, and after having had it impressed with the Government transfer stamp, he forwards it, together with the Share Certificate, or Scrip, and the Registration Fee to the Company for registration. In due course the Transfer is sanctioned by the Company, and a new Share Certificate or Scrip is made out in the name of the buyer.

It may happen, however, that a **seller** of 200 Shares may only dispose of 100. The safest course then for the **selling broker** is to forward the Share Certificate for 200 Shares together with the Transfer to the Company, who will then certify in the margin as follows :—

CERTIFICATE for.....Ordinary } shares lodged at the
Preference }
Company's Office .....

Secretary.

The Certificate, or Scrip, is kept by the Company, and the Transfer of 100 Shares (which is now called a "Certified Transfer") is sent back to the selling broker; he then hands over the transfer to the buying broker, who obtains the buyer's signature, and the transaction is completed as before mentioned.

As soon as the Company sanctions the transfer of 100 Shares to the buyer, a "Balance Certificate" for 100 will be prepared and sent to the selling broker for his client.

Specimen of COMMON TRANSFER DEED.

Impressed Stamp £4 10s. 0d.

Certificate for *1000 Preferred* Shares in Company's Office.
The Maypole Dairy Co., Ltd.,
J. L. Benson,
Secretary.

I, John Smith, *of 100 Ford Lane, Batley, formerly of 7 West Drive, Halifax, in the County of York, Accountant,* in consideration of the sum of *Eight hundred and sixty-two pounds ten shillings,* paid by *Charles Sterne,* of *133 Cross Flatts Grove, Leeds, in the County of York, Financier,* hereinafter called the said Transferee.

Do hereby bargain, sell, assign, and transfer to the said Transferee :—*1000 (One thousand) 20% Preferred Shares of £1 (One pound) each, numbered 9861 to 10360 and 15231 to 15730, all inclusive,* of and in the undertaking called the *Maypole Dairy Company, Limited.*

To hold unto the said Transferee, his Executors, Administrators and Assigns, subject to the several conditions on which *I* held the same immediately before the execution hereof; and *I* the said Transferee do hereby agree to accept and take the said *shares* subject to the conditions aforesaid.

As Witness our Hands and Seals, this *eighth* day of *February,* in the Year of Our Lord One thousand nine hundred and *fifteen.*

Signed, sealed and delivered by the above-named *John Smith,* in the presence of

Witness's
Signature.....*T. Burgess*.....
Address...*16 Clarendon Street, Batley* ...
Occupation..... *Clerk* .....

JOHN SMITH. SEAL

Signed, sealed and delivered by the above-named *Charles Sterne,* in the presence of

Witness's
Signature.....*Edward Clarke* .....
Address...*13 Beverley Terrace, Leeds*.....
Occupation .....*Engineer*.....

CHARLES STERNE. SEAL

It is possible that owing to **speculations** during an account or accounts that the seller and the *original* buyer may not meet in the Transfer. The *original* buyer A., buying a share for 21/-, may sell to B, at 21/9, B. may sell to C. at 22/6, and C. to D. at 24/-, in the course of an account. There would *not* be a Transfer for each of these transactions; only the name of the seller of the shares to A. and the name of the *last* buyer D. appearing in the transfer. The seller to A. would draw 21/- per Share, and D. would pay 24/- per Share. The difference of 3/- per Share being received by A. B. and C. (9d., 9d., and 1/6 respectively). The amount of consideration appearing in the transfer would, of course, be the higher figure, and the stamp duty charged on that amount.

It must not be assumed that a Company will accept *any* person as a member who buys Stocks or Shares. Some Companies refuse to place married women on their Register.

Many Companies have adopted the Forged Transfers Act, and immediately a Transfer is lodged purporting to be signed by a member of the Company, they write to him stating that a Transfer has been lodged in his name, and that unless they hear to the contrary, they will assume the Transfer is in order. By this means a fraudulent transfer of shares is prevented.

The nature of Stock Exchange transactions may be divided under four heads:—(1) *Investments.* (2) *Speculative Investments.* (3) *Speculation.* (4) *Options.*

INVESTMENTS are purchases of Stocks or Shares made purely for the return on the capital invested, and not with a view to the enhancement of the capital values.

SPECULATIVE INVESTMENTS, which may or may not yield dividends, are purchases made more with a view to the improvement in the price. Frequently such purchases are taken up by bankers for their customers on a margin of from 10 to 20% of the actual value for Stocks which are quoted in the Official Stock Exchange List. Such transactions are often arranged by the brokers with their own bankers for their clients.

SPECULATION, pure and simple, is gambling on the rise and fall in prices of Stocks and Shares. A purchaser in this class of dealing has no intention of paying for his purchases, nor the seller of delivering what he may have sold. The terms *Bull* and *Bear* are the names given to such operators. A **BULL** decides to buy 50 Union Pacific Rail Common Stock at $176 in the hope that ultimately the price will advance sufficiently for him to withdraw at a reasonable profit. (Nearly all the American Stocks are of the par value of 100 dollars each, therefore 50 Shares would be £1000 at par, so that 50 Unions at $176 would be £1760). No transfer stamps and fees are charged, as the intention of the "Bull" is not to take up the shares, that is, have them registered in his own name, but to sell them quickly, and cause the buyer from him to have to pay these expenses. The purpose in the Bull's mind is—buying from A. at 176 and selling to C. at a higher price, so that A. and C. shall meet in the Transfer Deed, thus relieving him of the payment of fees and stamps. In the first instance, assume that the shares rise to, and he sells at, 180 in the same Account, he will then draw a "difference" of 50 times $4=£40, less commission on buying £5, and two Contract Stamps of 4/- each, leaving a profit of £34 12 -. Assuming, however, that the Shares fall to 170 by the end of the Account, the "Bull" will no doubt decide to *Carry Over* or *Continue* them another Account. The rate of interest or "Carry Over" varies from 5% to 8%, and is called *Contango.* He will ask the broker to "carry them over," which he will do at a price fixed by the Stock Exchange Committee on the "making up day" of the Account. He will receive a *Continuation Note* from the broker in which it is stated that the broker has sold for the old Account at 170 and bought for the new Account at 170 and 5%. This Continuation Note must be stamped with a 4/- stamp in the same way as the contract note is stamped.

The **STATEMENT** sent to the "Bull" at the end of the Account is as follows :—

E. W. HARRIS & Co.,
Stock and Share Brokers.

8 Lombard Street,

Telegrams: "Gold, Leeds."
Telephone No. 1066.

LEEDS, *22nd February, 1915.*

Charles Sterne, Esq.

In Account with **E. W. Harris & Co.**

Dr. Sold for a/c. 24th Feb. Bought for a/c. 10th March. **Cr.**

1915.				£	s.	d.	1915.				£	s.	d.
Feb.	11	To 50 Union Pacifics @	$176	1765	4	-	Feb.	22	By 50 Union Pacifics @	$170	1700	-	-
									„ Balance....		65	4	-
				£1765	4	-					£1765	4	-
		To Balance due on Pay Day		65	4	-							

Note.—The Contango will be charged at the end of the next Account, 10th March, viz. :—When it has been earned, and would be debited thus :—

Feb.	*22*	*To Union Pacifics @ 170 .....*	*£1705*	- -
		„ Contract Stamp.....		*4* -

The Shares now stand at 170, and in the event of his being forced to take them up, this is the price he will have to pay, plus "Contango" for the current Account, and Contract Stamp on the Continuation Note rendered.

In selling these shares the effect of carrying over relieves the "Bull" of any commission charge on selling. For one or two Accounts it is no doubt wise to carry over, but if one is forced to take the shares up in their own name in the end (the speculation not being a successful one) the cost is exceedingly heavy. To have to pay commission, carry over, contract stamps, transfer fees and transfer stamps on one block of shares is very heavy. It is often said that a Share carried over from Account to Account "eats its head off," namely, the additions to the cost of the Shares become so heavy, that it only leaves a very remote possibility of ever seeing the value of the Shares again.

Any circumstance which has the tendency to enhance the price of the Shares is termed a *Bull-point*. A **Bull-point** in "Oils" would be, say, an announcement that a certain Government had decided to use oil fuel for naval purposes instead of coal.

A **BEAR** is an operator who, although not having possession of the Shares, sells them in the hope of buying back shortly at an advantageous price. For instance, a Bear decides that the chances are that Canadian Pacific Common at $216 will fall before long;

he therefore sells 50 in the hope of buying them at a lower price. Before the end of the first Account, the Shares may have fallen to $208, and he buys. He will draw 50 times $8=£80, less commission £5, less contract stamps 8/-, leaving a balance in his favour of £74 12 0. Assuming, however, that the shares rise to $220, he will, no doubt, decide to carry over, in which case he will have a "difference" of 50 times $4=£40 to pay, plus commission, plus contract stamp, and if there is a charge for carry-over, "backwardation" or "back" as "carry-over" is termed in case of a "bear."

Any circumstance having a tendency to pull down the price of a Share is termed a **Bear-point,** this being in the "Bear's" favour. Necessarily it does not follow that the security will rise or fall to suit the "Bull" or "Bear"; it very often happens that in spite of the "Bull's" wish or the "Bear's" hope, that securities fall for the "Bull" and rise for the "Bear." This accounts for the statement in the newspapers of a **Bear Squeeze** or **Bear Scramble.** It means that contrary to the "Bear's" hope, the Shares have risen to such a height that he considers it advisable to get the securities back, which he has sold, at a lower figure, to "cut his loss," namely, to make his loss as little as possible. If the "Bears" are obliged to do this it is said that the "Bears" are "rushing to cover." If a "Bull" has bought more shares than he can afford to hold until the price advances and he has to sell out to "cut his loss," he is called a "*Weak Bull.*"

A **Stag** is a person who, on the issue of a public prospectus, recognises that the concern is a very sound undertaking, and that its Shares may be worth more than par, and applies for a large number of Shares in the hope that before allotment the Shares will attain a premium. Should the Shares go to a premium, he sells in the hope that his application for the Shares will be granted.

Options are another form of speculation. A speculator may be convinced that a Share standing now at 26/- may be worth 30/- three months hence. He may acquire a **Call Option,** which means that for a certain amount per cent. or per Share, he acquires the right to "call" for them at a certain figure at any time during the ensuing three months. He may also, upon terms to be agreed, have a "call of more," "call of twice," "call of three times more," which means he may not only have the quantity stipulated, but double, trebled or four times the number, if he wishes. He will naturally decline to take the shares if the price has fallen, his loss being confined to the option charge paid at the beginning of the transaction.

A **Put-Option,** may be acquired in the same way from the broker, and this is the reverse of a "call option." It means that the right is acquired, for a fixed rate per cent. or per Share, to sell to the broker a number of Shares at a certain price during a fixed period, the operator being of the opinion that the Shares are likely to fall. He may also have, on additional terms, a

"Put of more," "Put of twice more," "Put of three times more," &c., which means he may sell to the broker double, treble or four times the number respectively. The double option to buy or sell at "a distance" as best suits the "giver" of "option money," is called a "Put and Call Option."

There are firms of Share dealers who invite persons by circulars, etc., to forward them **Cover,** namely, an amount to cover a possible loss in a proposed deal. Such firms are called **BUCKET SHOPS.** There are a few respectable "bucket shops," but most of them are not to be trusted, as the money placed in their hands can very rarely be recovered. The following is the method of working on "cover": the client sends, say £10, and requests the dealer to buy say £1000 London and North Westerns at 140 with a 1% margin. The dealer buys them when they are quoted at 139½ to 140 or less, and if they should advance in price to 141 to 141½ then the client has gained £10, but if they should fall below 139 to 139½ then the client has lost his £10. The client has generally a right to close at any price between 139 and 141. In all cases the client buys at the higher quotation and sells at the lower quotation. There are very great doubts whether the Shares are ever purchased as proposed, it is a pure gamble between the client and the dealer as to whether the price will rise or fall after the client has given his order.

When a Share is bought or sold *plus* the dividend last declared it is said to be **Cum. Div.** When a Share is bought or sold *less* the dividend recently declared it is said to be **Ex. Div.** The date when a Share is quoted "Ex. Div." is fixed by the Stock Exchange Committee, and is generally the first Account day after the dividend is declared in the case of Home Securities.

Parity. The following list (next page) is a Statement of the New York closing prices of American securities. It will be noticed that a special column is devoted to London "parity." The reason for the higher price of the Shares in England over those of New York is that New York pay for their securities in dollars at the rate of exchange then ruling (about 4/1½), but in England the dollar is usually calculated as being equal to 4/- or five to the £. The American Stock Exchange, owing to the difference in time in America and Great Britain, does not close till about 8.30 p.m. English time, and opens at about 3 p.m. English time. The American closing prices are cabled over here, and the opening quotations of American securities, on the London Stock Exchange, are adjusted to the same level. These prices are, therefore, termed **Parity Prices.** The way in which to convert an American price into an English price is to multiply the American closing price by five (as in the case of Atchison) and divide by the Exchange rate (number of dollars to the £) of the day :—

$$\frac{\$103\frac{7}{8} \times 5}{4{\cdot}8640} = £106\frac{3}{4} \text{ English parity.}$$

Money and Exchange.	To-day.	Prev. day.
Call Money, last loan	2⅝	2½
Exchange on London, sight	4 85¾	4 85·80
Do. cable transfers	4 86·40	4 86½
Do. 60 days' sight	4 82·65	4 82·60
Do. Berlin, short sight	95	94 15/16
Do. Paris, short sight	5 20	5 20⅝

Securities.	London parity.	Closing Prices bid. To-day.	Closing Prices bid. Prev. day.	Business done. Highest.	Business done. Lowest.	Sales in 1000's of Shr's.
N.Y. City Bonds	109 11/16	106¾	106¾	—	—	—
Atchison	106⅞	103⅞	104	104¾	103¾	4
Do. preferred	105 1/16	102¼	102	102½	102¼	—
Do. adjustment	94 1/16	91½	91⅝	—	—	—
Do. convertible	110 3/16	107¼	107	—	—	—
Atlantic, Coast Line	121¼	118	118½	—	—	—
Baltimore & Ohio	109 7/16	106½	107	107⅜	106½	2
Do. preferred	92½	90	90	—	—	—
Brooklyn R. Trans.	78⅝	76½	77	77½	76½	9
Canadian Pacific	214 5/16	208½	207¼	209	207¾	5
Cent. New Jersey	275 7/16	268	268	—	—	—
Chesapeake & Ohio	85 5/16	83	83⅛	84	82⅝	7
Do. new 4½ p c.	104 1/16	101¼	101⅛	—	—	—
Chicago & Alton	26¾	26	25	—	—	—
Chicago Great Western	25⅞	22⅛	22¾	—	—	—
Do. pref.	47¼	46	46	—	—	—
Chic., Mil., & S. P'l.	131	127½	127⅞	129	127	9
Do. pref.	157⅞	153½	152	—	—	—
Chicago & N. West	149½	145½	145¾	146½	146	—
Cl., Cin., Ch. & S. L.	66 9/16	64¾	64	—	—	—
Colorado & South	60⅛	58¼	59	—	—	—
Delaware & Hud.	171¾	167⅛	167	167¼	167	—
Del., Lack., & W.	539 9/16	525	525	—	—	—
Denv. & R. Grande	31 1/16	30¼	30½	31	31	—
Do. pref.	71 15/16	70	70	—	—	—
Erie	28½	28⅛	28½	28⅞	28¼	1
Do. 2nd pref.	36⅛	35⅞	36	36⅜	36½	—
Do. 1st pref.	48 13/16	47½	47½	48¼	47¼	—
Do. genl. lien	76 13/16	74¼	75	—	—	—

AMERICAN CERTIFICATES are often made out to certain individuals "or bearer," and in the case of a purchase of them, the Certificate to Bearer is handed over at the close of the transaction. It will be noticed that the name of the buyer is not by this means placed before the Company. Very often the transfer of name is not made, but if a dividend should be declared before the Shares are again sold, that amount is claimed from the person in whose name the shares are registered. As these are made out "to bearer" great care should be taken to prevent loss. Certificates are usually only issued for exact multiples of ten shares.

The State of New York charges a transfer tax of 1d. per Share. In addition to this the Company itself makes a charge. In the case of the Canadian Pacific Railway the charge of 2d. per Share, with a minimum charge of 2/6.

The following **abbreviations,** amongst others, are used for telegraphic purposes :—

Berthas	London, Brighton & South Coast Ry. (*deferred*)
Brums	L. & N. W. Railway.
Canpacs	Canadian Pacifics.
Chartereds	British South Africa Co.
Doras	South Eastern "A" (*deferred*).
Johnnies	Johannesburg Consolidated Goldfields.
Kaffirs	South Africans.
Leeds	L. & Y. Railway.
Mids	Midland Railway.
Saras	Great Central Railway (*deferred*).
Slops	Allsopp Ordinary.
Trunks	Grand Trunk Railway of Canada.
Yankees	American Shares.
Yorks	Great Northern Railway (*deferred*).

"A" Stock. In the railway department of the Stock Exchange, Ordinary Stock is sometimes divided into classes "A" and "B," also called Deferred and Preferred Stock; the "A" Stock receives no dividend until a fixed rate of dividend has been paid on "B."

Banging the Market means selling stock or shares with apparent recklessness, so as to force down prices. This may be done either because the "bangers" have early knowledge of bad news, or in order to terrify genuine holders into selling at a loss; a loss which is the "bangers" profit.

A **Boom** is an Americanism, denoting an upward rush of prices produced by active speculation. This word is usually employed by financial writers to signify a manufactured or manipulated advance, intended to attract the public to buy when prices are near the top. A Boom is often followed by a **Slump,** which is a sudden depreciation in securities, caused by large and sudden selling, frequently resulting in a crisis, and sometimes in a panic.

To **Corner** a security is to obtain such control of it that those who may have speculatively sold it, in the expectation of being able to buy it back cheaper later on, are unable to obtain it at any price. This is an operation best carried on with securities of limited amount, and is often used on the Stock Exchange with new securities by disreputable knaves. Sham dealings are entered into on the market by means of which the jobbers there are induced to sell the shares, say, of a new company, these shares being all the time in the hands of the knaves engineering the corner, or their tools. When the time comes to settle up the sellers are called on to deliver the shares they have sold, and, being unable to do so, have the price run up against them to any height the "ring" chooses.

Gilt-Edged Securities is a familiar term used to describe stocks on which the interest is as absolutely safe as it is humanly possible for an income-producing investment to be, such as Consols, Home Municipal Corporation Stocks, the leading British Railway Debenture Guaranteed and Preference Stocks, &c.

Goschens is the popular name for 2½% Consols, redeemable at the option of the Government in 1923, or at any time after.

Rigging the **Market** is a term applied to combined efforts to raise the price of stock artificially and without regard to its

merits. The motive for "rigs" is the expectation that, as the public sees prices going up and up, it will be lured into purchasing; and generally this is the case to an extent sufficient to enable the men who organise and conduct the "rig" to unload at a profit. "Rigs" are easiest to perpetrate with securities comparatively limited in amount, or with new issues not yet in the hands of investors.

The **Tape** is the narrow coil of paper, used in the Tape Machines, which are the self-recording instruments of the Exchange Telegraph Co., giving the prices of Stocks and Shares and their times. **Tape Quotations** are always given in the leading financial papers, thus: $181\frac{1}{4}$—$\frac{1}{2}$. A speculator buying would have to give $181\frac{1}{2}$, but if selling would only receive $181\frac{1}{4}$, the difference being known as the "Jobber's turn," being the Jobber's profit.

A **Yield** is the rate of interest which a security yields to an investor if he purchases at a given price. For instance, a $4\frac{1}{2}\%$ stock at 108 will yield £4 3s. 4d. per cent.

TEST PAPER 27.

1. What do you understand by the terms "Inside broker" and "Outside broker"?

2. Write out a telegram to "Coo," London, asking them to buy £1000 Midland Railway Co. Deferred Shares at 67, or lower, if they can obtain them.

3. What is the operator called who sells Shares in the hope of being able to buy back at a lower figure? Suppose the Shares rise, what course must he follow?

4. What is the term used for the charge made for "continuing" Shares sold? What other name is used for "continuing"?

5. What are the advantages arising out of "carry over," and what may its disadvantages be?

6. What is a "Bull-point" and a "Bear-point"?

7. What is a "Stag"?

8. Make out a "sold note" for the sale of £1000 nominal Natal 1837 Stock at 107. Calculate the commission and contract stamp.

9. If a sold note is sent to a client stating that £2,000 nominal Manchester Ship Canal 1st Mortgage 4% Debenture Stock at 98, and 500 Manchester Ship Canal Ordy. Shares at 21/6 had been sold, what value of contract stamps would it be necessary to affix?

10. In the sale of Shares when a certificate is deposited with the Company instead of being handed to the buying broker for him to forward to the Company, what is done to the transfer by the Company, and what is the transfer then called?

11. What is an operator called who buys Shares in the hope of a rise taking place? What term is used for any payment he may make for having the shares "continued"?

12. What are the meanings of:—"Call option," "Call of more," "Put option," "Put of more," "Put and call option"?

13. State briefly what "English parity" means, and how is the price arrived at? How is it that there would seem to be a difference between American and English prices of American securities?

14. What is a "bear-squeeze"?

PRÉCIS WRITING.

The word *précis* comes from the French, but it is derived from the Latin *præcisio*, a cutting off, and indicates the production of a summary, an epitome, outline, or abridgment of a document, letter or series of letters. A condensed relation, in the form of a narrative of the substance of all the letters referring to a certain event or incident, thus rendering reference to the original unnecessary. The "Summary of News," particularly of speeches in the newspapers, also articles in encyclopædias, are good examples of précis. As a specific subject, Précis Writing is principally associated with the duties of numerous clerks in Government offices, and consequently the examinations conducted by the Civil Service Commissioners. It is a subject, however, which is becoming increasingly important. For several years it has been included in the examination list of the Society of Arts, while recently a section of the London University Matriculation examination in English has been devoted to it. The Oxford and Cambridge Local Examinations and the Examination for the Chartered Institute of Secretaries also require précis work.

INDEXING and Précis Writing, being two branches of the same art, are often classed together in examinations, and it will therefore be well to state here that it is usual to supply the candidates with paper specially ruled with four columns, upon which must be written a short abstract, schedule, or docket of the letters and other paper supplied, the object of which is to serve as an **Index.** It should contain the date of each letter or document; the names of the persons by whom and to whom it is written; and, *in as few words as possible*, the subject of it. The merits of such an abstract are, (*a*) to give the really important point or points of each letter, omitting everything else; (*b*) to do this briefly; (*c*) distinctly, and (*d*) in such a form as to readily catch the eye.

Indexing is, therefore, the art of arranging or presenting the important point or points of a letter or subject in the briefest and most pregnant form. The contents of each letter should be condensed into a **single sentence,** so that the gist is visible at a glance. Let the indexer place himself in the position of one who is actually dealing with the correspondence, and imagine that he is about to ask someone to find a certain letter; he would, in such circumstances, briefly describe its contents in a sentence or two, so as to enable it to be identified. The principal **rules** to be observed in indexing are:—(1) Keep to the subject-heading; (2) Read two letters ahead of the one you are indexing, as the first paragraph of a reply often contains an excellent summary of the former letter, and the last paragraph the answer thereto; (3) Keep to the present tense; (4) Refer to a letter by its number; (5) Commence each docket with a present participle, as:—acknowledging, advising, asking, authorising, concurring, declining, enclosing, forwarding, informing, instructing, intimating, proposing, reporting, requesting, stating, submitting, suggesting, transmitting, urging; but never *relating* or *referring,* which show that the

purport of the letter has been missed; (6) Call a person by the same name throughout the index; (7) Treat enclosures as separate letters.

SPECIMEN OF INDEX.

No. of Letter, &c.	Date.	Correspondence.	Subject-matter.
1	February 20th, 1901.	Sir Alfred Milner to Mr. Chamberlain.	Transmitting a letter from the Peace Delegates and commenting thereon.
Enclosure in No. 1.	February 19th, 1901.	Peace Delegates to Sir Alfred Milner.	Reporting the proposals they have made to the Chairman of the Bond and describing the attitude of the Ministers of the Dutch Reformed Church.

According to the instructions given to candidates at examinations the **OBJECT** of the memorandum or **precis,** which should be drawn up, *not letter by letter*, but in the form of a continuous narrative, is to convey to the reader a complete history of the facts, circumstances and events to which the correspondence relates, in such a manner as to put him in possession of all the essential facts so that reference to the originals is not necessary. It may be presumed that the person for whose benefit the précis is prepared has some general knowledge of the subject to which it relates, but that he desires to be reminded of the circumstances which immediately gave rise to the correspondence, and to be put into possession of the salient and material points thereof. Such a summary enables a busy superior, who may not have time to read the original letters, to master the leading points in a few minutes. Précis writing is chiefly **practised** in **Government Departments.** The **MERITS** of such a précis are:—(*a*) that it should contain all that is important in the correspondence, and nothing that is unimportant; (*b*) that it should present this in a consecutive and readable shape, expressed as distinctly as possible, and as briefly as is compatible with completeness and distinctness.

PRÉCIS WRITING may, therefore, be defined as the art of condensing, compressing, or summarising, in continuous and narrative form, letters, documents, or statements, without changing or obscuring their meaning.

The **UTILITY** of a knowledge, and skill in the art of précis writing to the man of business is manifest in the assistance it affords him in writing cablegrams, docketing letters, and replying to correspondence with precision and lucidity. To the secretary of a company or public body a knowledge of the subject is particularly valuable, helping him in the drafting of resolutions, the preparation of reports, and the summarising of negotiations for presentation to the directors or shareholders. The journalist, in writing up reports and news, condensing speeches, preparing biographical sketches, and obituary notices, reviewing books, &c., finds a knowledge of the art essential to good work. To

attain **success** in précis writing, ability is required to distinguish between the essential and the superfluous; in other words, this art calls for the **exercise** of **good judgment** and sound discrimination.

The **ESSENTIALS** of a précis are fourfold, viz. :—

1. Completeness, which should never be sacrificed to brevity. However long the précis may be it must be complete, otherwise erroneous ideas might be conveyed to the reader.

2. Clearness. There must be no double meaning or ambiguity of expression, but perfect lucidity throughout. The précis should be its own interpreter, so that on a quick perusal the reader may have a clear conception of what has passed in the correspondence. The writer should avoid figurative and ornamental words, using only plain and comprehensive expressions, being particularly sparing in the use of adjectives and adverbs.

3. Brevity is one of the principal objects of a précis, which should be devoid of all exuberance and verbosity, qualities calculated to obscure the meaning. Everything must be omitted which is trivial and immaterial and that will not affect a clear understanding of the whole subject.

4. Orderliness, sequence, or **perspective** must be observed in the narration. The précis must not be a jerky collocation of detached and disconnected ideas, but a continuous, connected, coherent and intelligible account of events and incidents as told by the writer in his own words. While an index is somewhat mechanical in form, and follows closely the order and diction of the letters abstracted, a précis is a condensed essay, in the writer's own language, on the topic of which the series of letters treats. A précis writer needs to exercise the powers of a historian; he must see things and events in their correct relationship and be able to assess them at their proper values. Upon his ability to subordinate the unimportant to the important and to obtain a correct view of the events he is narrating, depends his success.

The **PREPARATION** of a précis is in some respects easier, while in other respects it is more difficult than that of an ordinary essay. On the one hand, the subject-matter is supplied, therefore search for ideas is not necessary; on the other hand, it imposes an arduous process upon the mind. A quantity of information has to be acquired in a very short space of time; it must be sifted and examined, admitted or rejected; thus necessitating an alertness of judgment and a promptness of decision.

Knowing the **title** or **subject** proceed to **read** the **whole** of the **correspondence** before commencing to write the précis, either **underlining** or making **notes** of the important parts, particularly of the longer letters. Whatever directly bears on the heading or title is important, and must receive adequate treatment, and everything that bears only indirectly upon it, or is irrelevant, requires either a mere casual reference or rejection.

Having mastered the subject-matter, proceed to **draft** the précis in the **past tense,** beginning with a clear and brief **introduction,**

explaining how the correspondence arose, and what were the various points at issue. Do not fail to remember that the précis must tell the story in your own language, tersely, in logical order; it must, in fact, be an essay upon the facts disclosed in the correspondence. There must not be too great an attempt at condensation in the **rough draft,** which should include everything that may be considered important.

The **final precis** is arrived at by exercising the processes of reduction and rejection upon the rough copy. In this **revision** all that is superfluous must be dispensed with, and the plain facts must stand forth, expressed in the fewest possible words. On no account must the writer include any of his own opinions or comments. When the précis has been thoroughly revised, a **fair copy** should be made, and this must not show any interlineations or corrections of any description.

To **summarise,** it would appear that the writer of a précis must relate in narrative form all the facts contributing to the development of the principal event completely, clearly, briefly, and orderly; the preparation for which task involves (1) reading the correspondence and making notes; (2) drafting the précis; (3) revision for the final précis; (4) making a fair copy. The following is a—

SPECIMEN of OFFICIAL CORRESPONDENCE and PRÉCIS thereof.

Correspondence relating to a proposed Colonial Conference in 1907.

No. 1. Newfoundland. *Governor Sir Wm. MacGregor to Mr. Lyttelton.* (Received December 2, 1905.) Government House, St. John's, November 18, 1905:—

Sir,—With reference to your dispatch of 16th October, I have the honour to inform you that my Ministers agree in principle to the institution of the contemplated Joint Commission.—Wm. MacGregor.

No. 2. Canada. *Governor-General Earl Grey to Mr. Lyttelton.* (Received 7.50 p.m., December 5, 1905.) Telegram:—

Referring to your telegram of 29th November, responsible Ministers have no objection to Colonial Conference being held in 1907 instead of 1906.

No. 3. Natal. *Governor Sir H. E. McCallum to the Earl of Elgin.* (Received 11 a.m., December 22nd, 1905.) Telegram:—

December 22nd, No. 1. Referring to your telegram, 29th November, Ministers are agreeable to postponement of next Colonial Conference until 1907.

No. 4. Cape Colony. *Governor Sir W. F. Hely-Hutchinson to Mr. Lyttelton.* (Received December 23, 1905.) Government House, Cape Town, December 6th, 1905.

Sir,—I have the honour to transmit to you the document specified in the annexed schedule.—Walter Hely-Hutchinson.

Date.	Description of Document.
6th December, 1905.	*Minute from Ministers.* Date of Meeting of the next Colonial Conference.

Enclosure in No. 4. *Ministers to Governor.* (Minute.) Prime Minister's Office, Cape Town, December 6, 1905 :—

In acknowledging the receipt of His Excellency the Governor's minute of the 30th ultimo, transmitting a copy of a telegram from the Right Honourable the Secretary of State for the Colonies, dated the 29th idem. relative to the date of meeting of the next Colonial Conference, Ministers have the honour to state in reply that they are desirous that the Conference should meet in the year 1906, due consideration being given, however, to the wishes and necessities of the various Colonial Governments in regard to the actual date of assembly.—T. W. Smartt.

No. 5. Australia. *Governor-General Lord Northcote to the Earl of Elgin.* (Received 7.50 a.m., December 24, 1905.) Telegram :—

Referring to your telegram of 29th November, Colonial Conference, Government have no objection to postponement, 1907.

No. 6. Newfoundland. *Governor Sir Wm. MacGregor to Mr. Lyttelton.* (Received December 28, 1905.) Government House, St. John's, December 8, 1905.

Sir,—With reference to your telegram of the 29th November, I have the honour to inform you that my Ministers are of opinion that it would be advisable to postpone the meeting of the Colonial Conference till 1907.—Wm. MacGregor.

No. 7. New Zealand. *Governor Lord Plunket to the Earl of Elgin.* (Received 7.40 a.m., January 26th, 1906.) Telegram. Following telegram received from Premier : Begins :—Government of New Zealand sees no objection to postponement of Imperial Conference of Prime Ministers until 1907, but would prefer that it should be held at an early date in that year.

No. 8. *The Earl of Elgin to the Governors of the Self-Governing Colonies.* Telegram. (Sent February 19th, 1906).

Referring to my predecessor's telegram of 20th November, and to your reply, His Majesty's Government propose that Colonial Conference should meet early in March, 1907, as it seems impossible to arrange a meeting conveniently this year. I shall be glad to learn that this date will suit your Prime Minister. Dispatch follows by mail.

No. 9. *The Earl of Elgin to the Governors of Self-Governing Colonies.* Downing Street, February 22nd, 1906.

My Lord, Sir,—My predecessor, in his telegram of the 29th November last, suggested that it might be advisable to postpone the

Colonial Conference until the year 1907, since it was not possible for the Prime Ministers of the Australian Commonwealth and of New Zealand to attend a Conference in 1906 if it was held later than in the spring, and it did not then appear to be practicable to make preparation for a Conference by that time.

2. I have now the honour to enclose, for the information of your Ministers, copies of the replies received from the several Colonies, from which it will be seen that while the Cape Ministers desired that the Conference should meet this year, the other Governments agreed to postponement until next year, and the Government of New Zealand expressed a hope that the meeting might take place early in the year.

3. I accordingly informed you, in my telegram of the 19th instant, that His Majesty's Government proposed that the Conference should meet early in March, 1907, and added that I should be glad to learn if that date would be convenient to your Prime Ministers.

4. My predecessor communicated to your Government, in his dispatch of 7th December last, the Parliamentary Paper containing the correspondence with various Colonial Governments arising out of his dispatch of 20th April, which dealt with certain proposals respecting the organisation of future Colonial Conferences. I do not feel myself called upon to adopt the recommendation of those proposals; but in view of the expressions of opinion received from the Colonies I think that it will be desirable that the scheme should be freely discussed when the Conference meets.

5. It will much facilitate the proceedings of the Conference by enabling full preparation to be made beforehand, if your Government will communicate to me, so as to reach me not later than the 1st September next, a statement as to any subjects which they desire to be discussed, and as to any resolutions which they wish to submit to the Conference.

6. I will address you in due course as regards the subjects which His Majesty's Government may wish to bring before the Conference.

7. His Majesty's Government feel every confidence that the next Conference, like those which have preceded it, will help to increase the good understanding and cordial feeling which exists between the Governments of the various self-governing communities of the Empire.—Elgin.

No. 10. New Zealand. *Governor Lord Plunket to the Earl of Elgin.* (Received 7.50 a.m., April 27th, 1906). Telegram.

Colonial Conference. My Responsible Advisers, whilst aware that Governments of self-governing Colonies will be invited to submit proposals for consideration at Conference, would be glad to know whether proposals concerning fiscal matters and preferential trade throughout Empire will be admitted.

No. 11. New Zealand. *The Earl of Elgin to Governor Lord Plunket.* (Sent May 12th, 1906). Telegram.

Referring to your telegram of 27th April, any proposals regarding fiscal matters which your Prime Minister may wish to bring forward will be submitted to Conference, in accordance with my dispatch of 22nd February.

No. 12. *The Earl of Elgin to the Governors of Self-Governing Colonies.* (Sent 2.45 p.m., May 12th, 1906). Telegram.

Referring to my dispatch 22nd February, I have now ascertained by communication with all the Colonies concerned that the date for Colonial Conference most acceptable to all Premiers, having regard to the varying conditions involved in the meeting of their Legislatures, will be April 15th next, in place of the previous suggestion of a date early in March. I have, therefore, much pleasure, on behalf of His Majesty's Government, in inviting your Prime Minister to attend the Conference on 15th April.

PRÉCIS

of Correspondence relating to a proposed Colonial Conference in 1907.

In November, 1905, the Imperial Government suggested to the Governments of the self-governing British Colonies that the Colonial Conference, which has been projected for 1906, should be postponed until 1907, since it was not possible for the Prime Ministers of the Australian Commonwealth and of New Zealand to attend a Conference in 1906 if it was held later than in the spring, and it did not appear practicable to make preparation for a Conference by that time.

While the Cape Ministers desired that the Conference should meet in 1906, the other Governments agreed to its postponement until 1907, and the Government of New Zealand expressed a hope that the meeting might take place early in the year. It was found eventually that the date most convenient to all the Colonial Premiers, having regard to the varying conditions involved in the meeting of their Legislatures, was the 15th April, 1907.

DUPLICATING PROCESSES.

In addition to making a single copy of all letters and documents for the purpose of reference, there often arises in business the necessity for extra and sometimes numerous copies of letters, circulars, price lists, documents, accounts, &c., which either do not justify the expense of printing, or which it is desirable should be kept secret. There are, at least, **six methods** of obtaining **multiplex copies,** four of which may be carried on entirely in the office, without the assistance of the printer.

1. **PRESS-COPYING** is described in the chapter on "Writing and Copying Letters," and may be used where from *two* to *six* copies of a letter are required. The copying ink must be good and the writing not too fine, otherwise it will not penetrate the tissue sheets, all of which must be damped together, extra time being allowed when the letter is in the press. This method of producing copies would only be resorted to where a typewriter is not in use.

2. **CARBON COPYING,** which is more business-like and efficient than press-copying, is referred to in the chapters on "Writing and Copying Letters," "Telegrams," and "Orders." Carbon sheets of black, purple, blue and red, are either "single" or "double," the former being coated on one side only, and the latter on both sides. Double carbons should never be used for typewriting work, for which the thinnest single carbons ought always to be employed, if satisfactory copies are desired. While the best results are secured when not more than six copies are required, it is possible to obtain a *dozen copies* at one operation by using flimsy paper and superfine carbons. The purposes for which the copies are required must determine their method of production; generally, however, where they are intended for more than temporary use, not more than six should be struck at once, the operation being repeated until sufficient copies are made.

When typewritten press copies are required, better work can be obtained with *copying* carbons than from the work of the ribbon. A large number of press-copies can easily be secured by making, simultaneously, several carbon copies, from each of which five or six duplicates may be readily taken.

3. **GELATINE PROCESS.** Being simple and inexpensive, this process is very convenient for obtaining up to about *fifty copies* of small drawings, specifications, and pen-written circulars, &c. The apparatus is commonly spoken of as a Hectograph, although similar processes are known by other special names, and full printed instructions as to their use are issued with each box. In addition to a shallow metal tray, the only essentials are some gelatine and hectograph ink, both of which may be purchased at most stationers. The gelatine should be liquefied by placing the tin in a pan of boiling water, and then poured into the metal tray, where it will solidify in a few hours, ready for use. The writing or typing should be on ordinary glazed paper but with hectograph ink, no blotting paper being used. When dry, the sheet must be evenly placed, with the writing downwards, on to the gelatine, and allowed to remain for a short time. Upon removing the sheet a negative of the original will be found transferred to the gelatine. Copies can be obtained by successively placing sheets of paper on the gelatine, and gently pressing the whole surface with the hand, or a roller, repeating the operation as quickly as possible. So that each copy may be straight and in the correct position, it is well to put a strip of paper on each side of the original letter before removing it from the gelatine. Immediately the last impression has been taken, wash off the negative with warm water and a sponge,

otherwise the ink will percolate through the whole of the gelatine. When the gelatine becomes uneven it should be re-melted, not boiled, and an even surface will again be obtained on cooling.

4. STENCIL COPYING or **MIMEOGRAPHY** is a most effective method of obtaining up to a *thousand copies* of either handwritten or typewritten work. The apparatus comprising the Mimeograph, with which printed instructions are supplied, is also sold under other names, but they all consist of (1) a hard steel pen called a style or stylus; (2) a small wooden frame enclosing a fine file; (3) wax sheets on which to write; (4) a printing frame for holding the sheet; (5) an inking slate or board; (6) an ink roller for working off the copies; (7) a tube of printing ink; (8) a bottle of varnish for correcting errors and filling creases in the wax sheets.

Handwritten stencils are prepared by writing with a steel stylus upon a wax sheet, which rests on the surface of a fine file, resulting in the wax sheet being finely perforated. When the stencil is complete it is clamped and stretched into the printing frame. A sheet of blotting paper being placed beneath the stencil, the ink roller may then be passed over the waxed sheet until a uniform impression is obtained by the penetration of the ink through the perforations, when the printing sheets may be inserted and the copies run off.

Typewritten stencils are made on thicker wax sheets than those used for handwriting. The first matter needing attention is the removal of the typewriter ribbon or pad and the thorough cleaning of the type. Lay on the table a type-protecting or tissue sheet, on the top of which place the wax sheet, followed by the silk sheet, and lastly the backing sheet. The side and top edges of the wax and tissue sheets must be folded over, after which the whole of them should be turned into the typewriter, with the tissue sheet to the front. The silk sheet receives the wax struck out by the type, while the backing sheet prevents creasing, as well as protects the platen. To stencil an autographic signature to a typewritten letter, lay the silk *over* the wax sheet, and write the signature on the silk with a stylus. The stencil must be clamped into the printing frame in the usual way, with the addition of a tissue sheet over the top of the stencil; and where a very large number of copies are required, two tissue sheets should be fixed together. As the copies are printed they should be put into a **Drying Book,** consisting of thin blotting paper, which, when full, should be fixed in the copying press for as long as necessary, so that the superfluous ink may be absorbed, and thus avoid smearing when folding. See reference to typewritten circulars, page 51.

The **Rotary Multiplier** is a machine which may be worked either by hand or by a small motor. A stencil is made in the usual way, and placed over a linen ink-pad stretched upon the outer surface of a perforated cylinder supported by a metal framework. The pad is inked by a rubber roller resting in an ink reservoir suspended between the two sides of the framework. By means of a lever the roller is brought into contact with the inside of the cylinder and supplies the necessary ink. The handle of the cylinder is rotated

and as the sheet of paper is fed into the machine, it is gripped by a rubber roller, pressed against the stencil, carried round the revolving cylinder, and returned printed from the other side of the machine. From sixty to eighty copies of a circular can be produced per minute by hand, and over 100 per minute by motor, and some 5000 copies from a single original. The speed of the machine is very much accelerated in some models by an automatic arrangement of feeding the paper into the machine.

5. The **MULTIGRAPH PROCESS** is really that of a printing machine for use in an ordinary office. It turns out **typewritten originals**—not copies—in multiple quantities, faster than any imitation or stencil process. The principle of its operation is the same as that of the typewriter, the printing being done from movable typewriter type, through a wide typewriter ribbon upon paper backed up by a typewriter rubber cylinder. On the typewriter each stroke of a key writes a single character, while on the Gammeter Multigraph each revolution of the printing drum typewrites the **entire letter.** The speed of operation depends, of course, upon the operator, but with very little practice will average 3000 or over per hour by hand, and 6000 or over with automatic paper feed and motor drive. For **regular printing,** a direct inking roller is used instead of the ribbon. Electrotypes may be used on the Multigraph, and general office printing, such as office forms, postal cards, record cards, etc., can be printed in any style of type at less than half printers' charges. The **setting** of the **type** for any letter or form requires no practice or experience whatever. If the operator can read and write, he has all the knowledge necessary to do the automatic composing on the Gammeter Multigraph. The type is not touched with the fingers, but is contained upon a revolving supply drum or cylinder, which constitutes the left half of the machine. As this drum is revolved, an indicator points to the letter desired, and the pressure of a single key throws the proper type character through a channel on to the printing drum, constituting the right half of the machine. There is no keyboard to learn on the Gammeter Multigraph as on the typewriter, for a **single key** operates every character, the supply drum revolving in conjunction with the indicator, which moves along the bar on which all the letters, figures, etc., are represented alphabetically and numerically. In this manner each line is set up accurately, easily and rapidly, averaging about one minute to a line of full letter width. The **distribution** of the **type** is even faster than the composition, and is accomplished by the same process, the distributing key sending each character back again to its proper place on the supply drum. The form is held in position on the printing drum in such a way as to allow a sufficient play of the type to exactly duplicate the slightly uneven effect of work produced on the ordinary typewriter. The form may be printed as near the top or bottom of the sheet as desired, and with any width of margin. **Corrections** are quickly made without trouble or expense. The ribbon—$7\frac{3}{4}$ inches wide—is wound round the printing drum over the face of the type, and the machine is then

ready to print as many copies as desired. With each revolution of the drum the form is printed, the ribbon moving automatically from one spool to the other, on much the same principle as the movement of the ordinary typewriter ribbon. The total length of the Multigraph ribbon is 18 feet, and when used over its entire length, reverses automatically, the pressure being gradually increased as the ribbon becomes worn, thus maintaining uniformity of colour during the entire life of the ribbon. The printing drum handle is equipped with a **cyclometer** which **counts** the **copies** as printed, saving the trouble of previously counting out the required number of sheets, and serving as a check on over-runs and shortages.

When used as an **Office Printing Press,** if the style of type on the machine will answer the purpose, as it will ordinarily, the composition and distribution is done automatically. If other styles of type are necessary or more desirable, electrotypes are used. For office printing a felt inking attachment is used, in place of the ribbons. This not only reduces the cost of production to the minimum, but produces a grade of work equal in every way to job printing costing fully twice as much.

6. LITHOGRAPHY is the name given to printing from stone, the writing or drawing having either been made direct on the surface of the stone by hand, or transferred thereto from the writing or drawing on specially prepared paper. The stone is a species of limestone, and is slightly porous, the principle of lithographic printing being based on the stone's receptiveness of grease and water and the antagonism of each for the other. The **art** of lithography rests upon the following properties of the substances forming the printing surface:—(1) The writing or drawing made upon it with fatty ink adheres to it so strongly as to require mechanical force to remove it; (2) That the parts of it free from the writing receive and retain water; (3) That a roller covered with fatty ink, being applied to the printing surface when wetted, the ink will attach only to the fatty written parts, and will be repelled from the wetted parts. After the writing or drawing has been put on the stone, the process consists of keeping the surface of the stone moist by a damping roller, and supplying the writing or drawing with greasy printing ink also from a roller. Then passing a sheet of paper over the surface of the stone under pressure, a portion of the ink is left upon the paper, and the copy produced. This process is capable of producing *any number of copies,* and while the transfer-writing or typing may be done in the office, the printing has to be handed over to the lithographer. The best work necessitates the use of special writing paper; special writing ink or typewriter ribbons; a lithographic stone, and printing ink. The special paper upon which the writing or drawing is made is known as **transfer-paper,** and is prepared by coating the surface of the paper with gelatine, starch or gum, either singly or in combination, or united with other substances. The object of this coating is to interpose a soluble film between the writing in

lithographic ink, and the paper. Paper, being more or less porous, would, if used alone, absorb some of the ink, instead of permitting the whole of it to be transferred to the stone. Hence the necessity of covering it with some substance which, during the process of transfer, can be moistened through the back of the paper, which is then peeled off, and the work, with the whole or part of the mucilaginous film, left upon the stone.

When it is desired to do a piece of lithographic writing, transfer-paper and fresh ink should be procured from the printer who is to work off the copies. The following precautions should be observed:—(1) Place the transfer-paper upon the pad or blotting paper, but do not use it to blot off the writing; (2) Be careful to place a piece of clean paper under the hand when writing and scrupulously avoid handling the paper or even touching it with the fingers, except at the edges where no writing is to occur; (3) Corrections may be made, if small, by removing the ink with indiarubber, or, if large, by washing it out with clean spirits of turpentine or benzoline. Sometimes it may be better to paste a clean piece of transfer-paper over the part to be corrected, but gum must not be used. It is even permissible to scratch out, but this must be followed by a coating of gamboge, which must be allowed to dry before writing upon it; (4) If the paper works greasily, rub it with powdered whiting or chalk, or clean it with spirits of turpentine or benzoline, or rub it well with clean india-rubber; (5) The work should generally be lightly pencilled out before commencing with the actual writing or drawing; (6) When complete and dry, roll up the sheet and hand it over to the lithographer at once, as the copies will be all the better for immediate working.

Although the use of transfer-paper is essential to the best lithographic work it is possible to produce a good transfer from a sheet of hard **glazed writing paper,** and this is frequently done on account of the greater ease with which the transfer can be written. Care must be taken, however, that the lithographic ink is quite fresh, and that the writing is transferred to the stone the same day if possible.

An **ACCOUNT CURRENT (A/C.)** sometimes called a running a/c., is a detailed Dr. and Cr. statement, copied from the Ledger containing an a/c. of the transactions which have taken place between two persons or firms during a certain time. An a/c. is usually rendered either quarterly, half-yearly, or yearly, and is generally made out with the interest charged or allowed upon each item. See example on next page. An **Account stated** is one showing a balance which has been *agreed upon* by the parties. It differs from an *open a/c.* in that the burden of *proof* is thrown upon the party who seeks to question it, the balance not having been agreed upon between the parties.

ACCOUNT CURRENT.

Messrs. Owen & Dew, New Orleans.

In Account with **Chas. Mee & Co., Ltd.,** London.

Dr. Interest @ 5% per ann. to 30th June, 1917. **Cr.**

		Principal £ s. d.	Days.	Interest £ s. d.			Principal £ s. d.	Days.	Interest £ s. d.
1917					1917				
Jan. 1	To Balance b/f	676 6 3	181	16 15 6	Feb. 5	By A/S. of Cotton	767 17 9	145	15 5 1
,, 31	,, Cash paid to meet your Sight Draft	16 10 -	150	- 6 10	May 11	,, Ditto	820 15 -	50	5 12 6
Feb. 4	,, Acceptance of your Draft due 4th April	250 - -	87	2 19 7	June 30	,, *Interest in red*			* 1 4 -
,, 23	,, Cash paid to meet your Sight Draft	61 5 -	127	1 1 8		,, Balance of Interest			2 7 11
April 4	,, Acceptance of your Draft due 4th June	250 - -	26	- 17 10		,, *Balance c/f*	166 8 11		
,, 6	,, Cash paid to meet your Sight Draft	134 2 -	85	1 11 3					
May 6	,, Ditto.	114 10 6	55	- 17 3					
June 4	,, Acceptance of your Draft due 4th August	250 - -	35	* 1 4 -					
,, 30	,, Balance of Interest	2 7 11							
		£ 1755 1 8	£	24 9 6			£ 1755 1 8	£	24 9 6
July 1	To Balance b/f	166 8 11							

E. & O. E.

London, 30th June, 1917.

Chas. Mee & Co., Ltd.

An **INCOME & EXPENDITURE A/c.** is a statement of a non-trading concern showing on the credit side the entire income earned during a given period (whether actually received or not) and upon the debit side the expenses incurred in earning such income, and otherwise chargeable to the period, whether actually paid or not; that is to say, it is practically equivalent to a P. & L. A/c. embodying the outstanding assets and liabilities at the commencement and end of each period; the difference (after deducting the amount brought forward) representing the net profit or loss for the period covered. This a/c. must not be confounded with an a/c. of **Receipts and Payments,** which is only a summary of the Cash a/c., opening with the cash balance at the commencement, showing the receipts on the debit side and the payments on the credit side, and closing with the cash balance at the end of the period. If there were absolutely no outstandings, either at the commencement or the close, and no receipts or payments on account of capital, the two a/cs. would, of course, be identical as regards items; but even then the balance shown would be different, seeing that the Receipts and Payments A/c. would commence with the balance of cash in hand whereas the Income and Expenditure A/c. would commence with the surplus or deficiency brought forward from the previous period.

Income and Expenditure Account of the Mashers' Club,

Dr. for the year ended 31st December, 1917. **Cr.**

To Rent	£500	By Balance from last a/c.	£1295
,, Rates, Lightg., and Insce.	436	,, Entrance Fees	86
,, Stewards' & Servants' Wages..	600	,, Annual Subscriptions	2173
,, Washing, Liveries, &c.	107	,, Card and Billiard Receipts.	123
,, Wines, Spirits, Cigars	356	,, Wines, Spirits, Cigars, sold	433
,, Stationery, Newspapers, &c...	145	,, Special Call on Members	314
,, Secretary's Remuneration	150		
,, Repairs to House, &c.	409		
,, Depreciation of Furniture, &c.	123		
,, Written off Improvements A/c.	100		
,, Conversazione Expenses	95		
,, Interest on Loan	6		
,, Law Charges	18		
,, *Balance c/d*	1329		
	£4374		£4374
		By Balance brought down	£1329

PRINTING ESTIMATES and the CORRECTION of PRINTERS' ERRORS.

Business of all kinds necessitates printing, ranging from the supply of such stationery as letter-paper, invoices, statements, etc., to the production of show cards, catalogues, and books. It is usual for most firms to obtain their supplies of stationery from a given firm, but when larger contracts have to be entered into, the manuscript (MS.) or copy of the work to be printed is sent to several firms, in succession, and estimates obtained. In deciding which estimate shall be accepted, consideration must not only be given to the price, but also to the style of work, the materials to be used, the date of delivery, and the terms of payment. The following is a common form of estimate and acceptance :—

ESTIMATE.

The Printeries,
High Street,
HUDDERSFIELD,
28th May, 1917.

Mr. Arthur Fieldhouse,
66 West Parade,
Huddersfield.

Dear Sir,

In reply to your enquiry we have pleasure in giving you below our estimate and we trust to be favoured with your esteemed order, which shall receive our prompt attention.

Awaiting the favour of your reply.

Yours faithfully,
THE PRINTERIES, LTD.,
John Smith, Managing Director.

"Income Tax Simplified," cro. 8vo., 96 pages, and 4 pages printed coloured cover, thread sewn. 10,000 copies, £166 : 13 : 4d.

Terms net. Payment 3 months after completion of work.

ACCEPTANCE OF ESTIMATE.

66 West Parade,
HUDDERSFIELD,
29th May, 1917.

The Printeries, Ltd.,
High Street, Huddersfield.

Dear Sir,

INCOME TAX SIMPLIFIED, 2nd edition, 96pp. and cover.

Referring to your estimate of yesterday, I now beg to accept the same, subject to the following terms and conditions:—

(1) To be equal in quality and variety of type, setting, displaying, ink, machining, alignment of type, pages and sections, paper, sewing, binding, cover, and in every other respect to the copy of the previous edition, submitted for the purposes of your estimate.

(2) The cover shall be printed on stout coloured paper to be approved by me, and any blocks used in the work shall be supplied by me.

(3) The work shall be set up page for page with the last edition, subject to such additions and alterations as I may think necessary.

(4) No extra charge shall be made for correcting proofs, four copies of which shall be submitted twice to me at the above address, once in galley, and next in page or book form.

(5) If the book should come out at more or less than 96 pages, the difference to be charged or allowed shall be reckoned at the same rate per page as the original estimate.

(6) There shall be no further charge whatever for the said book, beyond the contract price, except for the extra proportional charge to be made on any increase there may be in the size of the book, beyond 96 pages, in accordance with the last paragraph.

(7) 100 copies shall be ready for delivery on the 2nd July, 1917, and the remainder shall be forthwith bound, packed, and delivered as required. All the packets shall be legibly labelled and shall indicate the quantity of the contents.

(8) Payment shall be made for the whole of the 10,000 copies three months after the completion of the first 100 copies, as specified by clause 7.

Subject to the above terms and conditions, I now beg to hand you "copy," so that you may proceed at once. All proof will receive immediate attention.

Yours faithfully,
ARTHUR FIELDHOUSE.

The matter supplied to a printer to be set up or **composed,** whether it be manuscript, typescript, or ordinary print, is generally referred to as **copy,** and should be sufficiently legible as to render the work of the compositor as easy as possible, being written on one side of the paper only, and each sheet numbered in consecutive order. It is to the interest of the author to provide the printer with **legible copy,** preferably typewritten, as it materially reduces the cost of composition and corrections, thus securing a lower price for the work. In obtaining a **reprint** of printed matter the cost of production is greatly lessened, by reason of the composition of the new work being facilitated by being already in print. In such a case it is usual to cut up two copies of the book and paste each page on quarto or foolscap paper, making the alterations in ink, in the margin, before sending the copy to the printer for his estimate. *Italics* are generally indicated in manuscript or copy by a single underline; SMALL CAPITALS by two underlines, and ORDINARY CAPITALS by three underlines. When it is desired to insert one or more paragraphs in the copy it may be necessary to write the matter on a separate sheet of paper, and indicate its insertion by such distinctive marks as a figure, a cross ×, a dagger †, a double dagger ‡, or an asterisk *. The sheet of paper should be similarly marked, and attached to the MS. or copy.

When **copy** has been **negligently prepared** by a careless writer who sometimes spells incorrectly and capitalises and italicises without system, it is the duty of the compositor to correct these faults according to the style prescribed by the office in which he works; but when copy has been carefully prepared by a disciplined writer, who plainly shows that he has a style of his own, that copy should be followed faithfully, even if it is in conflict with the system of the printing office. It is the author's right to go before the public in his own way and show his own notions about italic, punctuation, and capitalising.

In ordinary reading matter the **same words** occur over and over again, and this repetition of words has led writers and reporters to adopt the use of many longhand **abbreviations.** With the view to establishing uniformity the Shorthand Congress of 1887 agreed upon a **standard list** of longhand **abbreviations** for use in the preparation of copy for the press, and this list will be found on page 323.

When the compositor has set up the matter contained in the copy, he pulls a print or **proof,** which is first read and corrected by the **proof-reader** in the printing works. After the compositor has made the corrections marked by the proof-reader, a further proof (often in duplicate or triplicate) is pulled and sent to the author, along with the original copy. The author and his readers carefully examine this first proof, and after making such alterations as are necessary, return one corrected copy to the printer.

Every **book** of **reference** or authority should be read on three or more proofs. When the author's proof has to be read by many experts, as is usual, duplicates are taken after each correction of

the previous proof, and each duplicate proof receives an entirely new reading. The first proof of book matter is usually taken from the long **galley** or slip on which the compositor puts his first composition, subsequent proofs, known as the **revise,** being put up in page form. The author's first proof, when corrected, should always be returned to him with the second proof, which he should consider as his revise for the verification of previous corrections, and for the making of trivial corrections only. But if many corrections are made by the author, on this second proof, these corrections, when made, should be followed by a third proof to the author. It is unsafe to send to the press any page that has not been pronounced entirely correct by the author. The last proof, certified as correct by the author, is known in the printing works as the **press-proof,** and is usually made up into a **section,** consisting of a sheet of **8** or **16** or **32 pages,** which are so arranged for printing that, when folded, all the pages are in consecutive order. Each section is **lettered** alphabetically (excluding J) at the bottom left-hand corner, and when section **Z** has been reached, those following are also lettered alphabetically, and the figure **2** added, thus, A-2; B-2; &c., in order to distinguish them from the earlier sections.

In reading proofs, and **correcting** the **errors** made by the compositor, certain **technical marks** are used. A **list** of the principal marks is given on page 319, and a specimen page of proof corrections on page 320. Page 321 shows the final work of the compositor, after effecting all the alterations of the proof-reader, and thus presents the **press-proof** ready for the printing machine. The corrections should always be made in consecutive order in the **margin,** never in the text, on a level with the line corrected. A slanting stroke / should be put after each correction, as it serves to draw attention to the mark when there is but one, and if there are several corrections or interlineations in one line, it prevents them being confused, thus :—; / it / of /.

Omission of a **letter,** word, and most punctuation marks is indicated by a caret ∧ where the omission occurs, the correct letter, &c., being written in the margin. A full stop should be encircled.

Omission of a **space** between two words is indicated by a caret, and the placing of the following sign in the margin #.

Omission of a **hyphen** or dash is indicated by a caret, and the placing of the character in the margin between two vertical lines, thus, /=/ or /—/.

Cancel unnecessary letters or words by drawing a line through them and writing the sign for "delete" in the margin. See p. 319.

Unnecessary spaces, either between letters or words, must be marked by curved horizontal brackets, both in the space and margin, thus, clo⌒sed.

To **change** small letters into capitals strike the letters through and write *Caps* in the margin.

To **change** capital letters into small strike them through and write *l.c.* (meaning, lower case) in the margin.

To **change** from roman characters to *italic*, underline and write *ital.* in the margin. To reverse this change write *rom.* in the margin.

When a **wrong type** has been used, underline it thus "correction," and write *w.f.* (meaning, wrong fount), in the margin.

New paragraphs are indicated by placing a square bracket [in the margin, as well as before the word which is to commence the new paragraph.

To **connect two paragraphs** write in the margin *run on*, and draw a line from the last word in the first par. to the first word in the next par.

To **transpose** a letter or word underline them, thus "decieve" or "day fine," and write in the margin *trs*.

A **reversed** (upside down) or turned letter must be underlined and indicated in the margin by a **curly** mark like the upturned figure six. See the third sign on the next page.

A **bruised** or **damaged type** is indicated by a horizontal line above and beneath it, and a cross × in the margin.

Uneven lines should be marked in the margin by horizontal lines, thus, ——. When uneven at the sides, mark with perpendicular lines, thus,

Cash.
Goods.
Returns.

To **retain** a word, phrase, or sentence which has been struck out, place dots.....under each letter and write *stet* in the margin.

When a **spacing lead** comes to the surface of the type and prints itself between the words, strike it through and mark in the margin 1.

SPECIMENS and **SIZES** of **TYPE** are given on page 322. The **new** or modern **system** classifies Type according to **points**, whereas the **old system**, the classification was by such names as *Great Primer, English, Pica, &c.*

Clarendon is the name given to **bold or black-faced type.**

SIGNS used in CORRECTING PROOFS.

⊥	To push down a "space" or "quadrat" standing high.
⊂	To bring letters or words together; to "full out" an indented line.
↺	To reverse a letter set upside down.
□	To "indent" a line one "em" of its own body.
trs.	To transpose letters, words, or sentences
#	To insert a "space."
rom.	To change *italic* into roman letters.
ital.	To change roman into *italic*.
⁻1	To insert "inverted commas," or to insert a "superior" letter or figure, make this sign and write the desired insertion above it.
L	To reduce a "space."
n.p.	To commence a new paragraph.
l.c.	To change a capital or small capital into a "lower-case" letter.
δ	To delete a letter, word, line, etc.
run on.	To cause matter to follow on preceding matter (without commencing a new paragraph).
≂	To rectify a crooked letter, word, line, etc.
χ	To substitute a good letter for a battered or broken one.
w.f.	To substitute for a *wrong fount* letter another letter from the correct fount.
stet.	To cause a letter, line, word, etc., which has been altered by mistake to *stand* as it was before alteration.
over.	To move a letter or word from a crowded line into the line succeeding it.
⊙	To insert a point.
cap.	To change a lower-case letter into a *capital* (or draw three lines ≡ under it).
sm. cap.	To change a lower or higher case letter into a *small capital* (or draw two lines = under it).

SPECIMEN CORRECTION of PROOFS.

to be altered throughout line by line, and a few words may possibly affect several pages. The charges made for corrections are based on the time consumed in making them, and are very difficult to check, even by an expert. If it is actually a necessity that a work must be corrected when in type, the amount of these alterations is likely to upset the arrangement of the lines and pages, it is *best* to ask for proofs in galley or slip form. This means a little more trouble to the printer, but it will probably cause less expense in the long run. In marking corrections for the printer certain signs and symbols are used which express more concisely the meaning than could be indicated by a more ordinary method of marking the alterations.

We give on the opposite page the principal characters used: that page showing the corrections as ~~this~~ would be marked by a skilled person; this, the facing page, the type corrected according to these directions; and the page overleaf the signs explained in detail.

In making a correction in a proof always mark the wrong letter or word through, and insert the alteration in ~~the~~ margin, not in the middle of the printed matter, as it is apt to be overlooked if there is no marginal reference to the correction. To keep the different corrections distinct, finish each one off with a stroke, thus /

CORRECTED PRESS PROOF.

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SIZES OF TYPE.

Examples and **names** of the common kinds of type used in printing books are given below. The **principal type** (lower case) used in the composition of the text or subject matter of a book, or other work, is known as the **body type.**

POINT & OLD SYSTEM.

8 point Beard.

30 — XX — 7 point Beard

24 — SSS — 5 point Beard

18 — NNN — 4 point Beard

14 — GGGG — 3 point Beard

12 — PPPPPP — 3 point Beard

11 — XXXXX — 3 point Beard

10 — NNNNNN — 2 point Beard

9 — PPPPPPPP — 2 point Beard

8 — EEEEEEEE — 2 point Beard

7 — KKKKKKKK — 2 point Beard

6 — MMMMMMMM — 1 point Beard

5 — BBBBBBBBBBB — 1 point Beard

The solid pieces show the full body or depth of the various sizes of type, while the printed letters alongside show the size of the face and the depth of beard. For instance, 36 point, 48 point and 60 point have each a beard of 8 points. These sizes may therefore be lined together simply by putting quads at the back of the smaller sizes.

Five Point.

Six Point.

Seven Point.

Eight Point.

Nine Point.

Ten Point.

Eleven Point.

Twelve Point.

Fourteen Point.

Eighteen Point.

Twenty-four Point.

Thirty Point.

Thirty-six Point.

Name.	Specimen.
Great Primer.	It would *pay*
English.	It would *pay* ma
Pica.	It would *pay* mast
Small Pica	It would *pay* masters
Long Primer.	It would *pay* masters t
Bourgeois.	It would *pay* masters to p
Brevier.	It would *pay* masters to pr
Minion.	It would *pay* masters to pres
Nonpareil	It would *pay* masters to present:
Pearl.	It would *pay* masters to present a cop

LONGHAND PRESS CONTRACTIONS.

the	/
that	t
for	f
of	o
have	h
you	y
with	w

Termination above the line

however	howr
whenever	whenr
coming	comg
leading	leadg

The Terminations

"tion," "sion," "ion,"
n above the line as tradin
promon, occasn,
"ance," "ence,"
ce above the line of importce,
evidce,
"ment."
contract to mt as governmt,
movemt.
Omit "day" in days of the
week:
as "Mon." and "Tues."

about	abt
account	acct
afternoon	aftn
again	agn
against	agst
among	amg
amount	amt
because	bec
been	bn
between	btwn
could	cd
chairman	chn
circumstance	circe
committee	come
difference	difce
different	dift
difficult	difclt
difficulty	difclty
evening	evg
every	evy
extraordinary	xtry
from	fm
further	fur
general	gen
government	gov
great	gt
had	hd
importance	impce
important	impt
large	lge
meeting	mtg
might	mt
morning	mg
notwithstanding	notwg
objection	objn
o'clock	o'c
opinion	opn
opportunity	oppy
other	or
ought	ot

Alone or as Termination.

as brot (brought)
and thot (thought)

particular	partr
question	qn
said	sd
shall	sh
several	sevl
should	shd
their, there	thr
though	tho
through	thro
together	togr
very	vy
whether	whr
which	wh
without	wt
would	wd
yesterday	yesy
you	y
your	yr

TABLE OF USANCE AND DAYS OF GRACE.

Bills drawn in London on	*USANCE.*	*Days of Grace.*
Altona	1 month after date	12
Amsterdam	3 months after date	none
Antwerp	Do.	none
Barcelona	Do.	none
Berlin	Do.	none
Bilbao	Do.	none
Bremen	1 month after date	8
Bruges	Do.	—
Buenos Ayres	60 days after sight	—
Cadiz	3 months after date	none
Constantinople	31 days after date	—
Dantzic	14 days after acceptance	10
France	3 months after date	none
Frankfort-on-Main	Do.	none
Florence	30 days after date	—
Genoa	3 months after date	none
Geneva	30 days after date	5
Gibraltar	2 months after sight	14
Hamburg	3 months after date	none
Holland	Do.	—
Italy	Do.	none
Leghorn	3 months after date	none
Leipzig	Do.	none
Lisbon	90 days after date	none
Madrid	3 months after date	none
Malta	30 days after date	3
Milan	3 months after date	none
Naples	Do.	none
Oporto	90 days after date	none
Palermo	3 months after date	none
Paris	Do.	none
Petrograd	Do.	none
Portugal	60 days after date	—
Rio de Janeiro	30 days after date	5
Rotterdam	3 months after date	none
Rome	Do.	—
Rouen	1 month after date	—
Seville	3 months after date	—
Smyrna	31 days after date	—
Sweden	30 days after sight	—
Switzerland	Do.	—
Venice	3 months after date	none
Vienna	Do.	none
West Indies	31 days after acceptance	—

PARS OF EXCHANGE and FOREIGN MONEY.

PARS OF EXCHANGE.		PRINCIPAL COINS.	Sterling. s.	d.
Austria	gives 24 kr. 3 hrs. ..... for £1	100 hellers = 1 krone = ...		10
Belgium	,, 22 fr. 15 c. ..... ,, £1	100 centimes = 1 franc = ...		9½
Canada	receives 49 pence ..... for 1 Dollar	100 cents = 1 dollar = ...	4	1
China	,, 5/10 ..... ,, 1 Tael	10 Cash = 1 candareen (Fun); 10 candareens = 1 mace (Tsien); 10 mace = 1 tael (Leang) =	2	7½
Denmark	gives 18 kr. 16 öre ..... for £1	100 öre = 1 krone (pl. kroner) = ...	1	1½
France	,, 25 fr. 22·15 c. ..... ,, £1	100 centimes = 1 franc = ...		9½
Germany	,, 20 m. 43 pf. ..... ,, £1	100 pfennige = 1 reichsmarks = ...		11¾
Greece	,, 25 dr. 23 lepta ..... ,, £1	100 lepta = 1 drachmê = (1 franc)		9½
Holland	,, 12 fl. 11 st. ..... ,, £1	100 cents. = 20 stivers = 1 florin or guilder = ...	1	8
India	receives 16 pence stg. ..... for 1 Rupee	192 pies = 16 annas = 1 rupee = ...	1	4
Italy	gives 25 fr. 22·15 c. ..... for £1	100 centisimi = 1 lira nuova = ...		9½
Norway	,, 18 kr. 16 öre ..... ,, £1	100 öre = 1 krone (pl. kroner) = ...	1	1½
Portugal	receives 53¼ pence stg. ..... for 1 Milreis	1000 reis = 1 milreis = ...	4	5¼
Russia	,, 25½ do. .. for 1 Silver Rouble	100 copecs = 1 silver rouble = ...	2	1½
Spain	,, 45¾ do. .....for 1 Peso	103 centisimos = 1 peseta = ... (1 peso = 5 pesetas = 100 reals.)		9½
Sweden	gives 18 kr. 16 öre ..... for £1	100 öre = 1 krona (pl. kroner) or riksdaler = ...	1	1½
Switzerland	,, 25 fr. 22·15 rap. ..... ,, £1	100 rappen or centimes = 1 franc = ...		9½
Turkey	receives 1½d. to 2½d. stg. ..... for 1 Piastre	40 paras = 1 piastre, and 100 piastres = 1 lira Turca (£)	18	0
United States	receives 49 5/16 d. stg. ..... for 1 Dollar	100 cents = 1 dollar in gold = ...	4	1

COURSE OF EXCHANGE. *Extract from "The Times."*

Amsterdam and Rotterdam, 12·2 to 12·3
Do. do. 3 months, 12·3⅜ to 12·4¼
Antwerp and Brussels, 3 months, 25·36¼ to 25·41¼
Hamburg, 20·57 to 20·61
Berlin and German Bank Places, 20·57 to 20·61
Paris, cheques 25·21½ to 25·26¼
Do. 3 months, 25·33¾ to 25·38¾
Marseilles, do. 25·33¾ to 25·38¾
Austria, do. 24·42 to 24·47
Moscow, do. 25⅜ to 25½

Petrograd, 3 months, 25 7/16 to 25 9/16
Genoa, 3 months, 26·68¾ to 26·78¾
Leghorn, do. 26·68¾ to 26·78¾
Naples, do. 26·68¾ to 26·78¾
Madrid, do. 40 7/16 to 40 11/16
Lisbon, do. 40¾ to 40⅞
Oporto, do. 40 13/16 to 40 15/16
Copenhagen, do. 18·31 to 18·35
Christiania, do. 18·32 to 18·36
Stockholm, do. 18·32 to 18·36

To put the above into simple language it would read as follows:—

Amsterdam and Rotterdam	for short-dated	London Bills	..	gives	12 florins 2 to 3 stiver	per £1 Sterling.
Do.	do.	„ 3 months	do.	..	„ 12 florins 3¾ to 4¼ stiver	„ £1 do.
Antwerp and Brussels		„ do.	do.	..	„ 25 francs 36¼ to 41¼ cents	„ £1 do.
Hamburg ..	..	„ do.	do.	..	„ 20 marks 57 to 61 pfennige	„ £1 do.
Berlin and German Banks		„ do.	do.	..	„ 20 marks 57 to 61 pfennige	„ £1 do.
Paris ..	..	„ short-dated	do.	..	„ 25 francs 21½ to 26¼ cents	„ £1 do.
Paris ..	..	„ 3 months	do.	..	„ 25 francs 33¾ to 38¾ cents	„ £1 do.
Marseilles ..	..	„ do.	do.	..	„ 25 francs 33¾ to 38¾ cents	„ £1 do.
Austria ..	..	„ do.	do.	..	„ 24 kroner 42 to 47 hellers	„ £1 do.
Moscow ..	receives	„ do.	do.	..	from 25⅜ to 25½ pence Sterling per Rouble.	
Petrograd	„	„ do.	do.	..	„ 25 7/16 to 25 9/16 pence	do.
Genoa ..	..	„ do.	do.	..	gives 26 lire 68¾ to 78¾ cents,	per £1 Sterling.
Leghorn ..	..	„ do.	do.	..	„ do.	do. „ £1 do.
Naples ..	receives	„ do.	do.	..	„ do.	do. „ £1 do.
Madrid ..	„	„ do.	do.	..	from 40 7/16 to 40 11/16 pence Sterling per peso (5 pesetas)	
Lisbon ..	„	„ do.	do.	..	„ 40¾ to 40⅞ pence	do. do.
Oporto ..	„	„ do.	do.	..	„ 40 13/16 to 40 15/16 pence	do. Milreis.
Copenhagen	„	„ do.	do.	..	gives 18 kroner 31 to 35 öre	per £1 Sterling.
Christiania	„	„ do.	do.	..	„ 18 kroner 32 to 36 öre	„ £1 do.
Stockholm	„	„ do.	do.	..	„ do.	do. £1 do.

TABULAR HOUSEHOLD EXPENSES BOOK.

Cash Recd.	Date	Details.	Board	Dress	Fuel and Light	Rent and Rates	Wages and Laundry	Education and Books	Church and Charity	Holidays and Amusmts.	Insurance and Savings	Sundries	Total
£	1917.												
20	Jan. 1	To Cash											
	,, 1	By Groceries	1 2 6										1 2 6

ABBREVIATIONS, PHRASES, &c

A1 .....First Class (of ships)
A/C. .....Account Current
A/c. or acc't....Account
a/d. .....After date
Ad val. .....Ad valorem, according to value
Agt. .....Agent
a.m. .....Ante meridiem (before noon)
Amt. .....Amount
A/S. .....Account Sales
A/s. .....At sight
@ .....At

B/ .....Bale or Bag
Bal. .....Balance
Bart. .....Baronet
b/d. .....Brought down
Beds. .....Bedfordshire
Berks. .....Berkshire
b/f. .....Brought forward
Bls. .....Bales
B/L. .....Bill of Lading
B.P.B. .....Bank Post Bill
B. of E. .....Bank of England
B/E. .....Bill of Exchange
B.O. .....Branch Office
Bona fide .....Good faith
B/P. .....Bills Payable
B/R. .....Bills Receivable
Bros. .....Brothers
B/S. .....Balance Sheet

C. .....A hundred
C. .....Case
C.A. .....Chartered Accountant
Capt. .....Captain
c/d. .....carried down
c f. .....Cost and freight
c/f. .....Carried forward
Chq. .....Cheque
C.I. .....Channel Islands
c.i.f. .....Cost, insurance and freight
C/N. .....Credit Note
Co. .....Company, County
c/o. .....Care of
C.O.D. .....Cash on Delivery
Col. .....Colonel
Com. .....Commission
Con., Contra ..Against
C/P. .....Charter Party
Cp. .....Compare
Cr. .....Credit, Creditor
C.R. .....Company's risk
Cs .....Cases
Cwt. .....Hundredweight

d. .....A penny, pence
D. .....Five hundred
D.A. .....Documents attached (or Documents for acceptance)

d/d. .....Days after date
D/D. .....Demand draft
De die in diem From day to day
De facto ....From the fact, really
De jure .....By law, by right
De novo ....Anew
Dept. .....Department
Dies non ....No legal day
Dft. .....Draft
Disct., Dis. ..Discount
D/N. .....Debit Note
D/O. .....Delivery Order
Doz. .....Dozen
Do., Ditto....The same
Dr. .....Debtor
d/s. .....Days after sight
D.V. .....Deo volente. God willing
D/W. .....Dock Warrant
D/y. .....Delivery

E. .....East
E.C. .....East Central (London Postal District)
E.E. .....Errors excepted
E. & O.E. ....Errors and omissions excepted
e.g. .....Exempli gratia, for example
Encl., Enc. ..Enclosure
Esq. .....Esquire
Ex. .....From: out of
Exch. .....Exchange

F.a.s. .....Free alongside ship
Fcp. .....Foolscap
F.O.B. .....Free on board
Fo., Fol. ....Folio
F.O.R. .....Free on Rails
F.P.A. .....Free of particular average
Fr't. .....Freight
Ft. .....Feet
F'wd .....Forward

G/A. .....General Average
G.B. .....Great Britain
G.B. & I. ....Great Britain & Ireland
Glam. .....Glamorganshire
Glos. .....Gloucestershire
G.P.O. .....General Post Office

Hants. .....Hampshire
Herts. .....Hertfordshire
H.M.C. .....His Majesty's Customs
H.O. .....Head office
Hon. .....Honourable
H.P. .....Horse Power
Hunts. .....Huntingdonshire

i.e. .....Id est, that is
Ill. .....Illinois
In. .....Inch

In extenso ....At full length
Insce.....Insurance
Inst. .....Instant, the present month
Int.....Interest
Inter alia .....Amongst other things
Inter se.....Amongst themselves
In trans. .....On the passage
Inv.....Invoice
Ipso facto .....By the fact itself
I.O.M. .....Isle of Man
I.O.U. .....I owe you
I.O.W. .....Isle of Wight

J.P. .....Justice of the Peace
Jr... .....Junior

Kilos .....Kilogrammes

£ .....Libra, pounds (sterling)
Lancs. .....Lancashire
Lb.....Pound or pounds (weight)
L/C. .....Letter of Credit
Lieut.....Lieutenant
LL.B. .....Bachelor of Law
LL.D. .....Doctor of Law
Ltd. .....Limited

M.....Mille, a thousand
M.A. .....Master of Arts
Mass .....Massachussetts
m/d. .....Months after date
Mem., Memo...Memorandum
Messrs.....Messieurs
Mo.....Month
M.O. .....Money Order
M.O.O. .....Monday Order Office
Mon. .....Monmouthshire
M P. .....Member of Parliament
m/s.....Months after sight
MS.....Manuscript. Plural MSS.

N.....North
N.B. .....Nota Bene, mark well, observe; North Britain.
N.E. .....North East
Nos. .....Numbers
Notts. .....Nottinghamshire
N.P. .....Notary Public
N.S.W.....New South Wales
N.W.....North West
N.Z. .....New Zealand

O.H.M.S. .....On His Majesty's Service
O.R. .....Owner's Risk
Oxon.....Oxfordshire

%.....Per cent., per hundred
‰ .....Per mille, per thousand
P/A. .....Power of Attorney
P/av., P/A. ....Particular Average
Payt. .....Payment
P.C. .....Post Card

P.C. .....Privy Councillor
P/C. .....Prices Current
Pcl.....Parcel
Pcs. .....Pieces (of cloth)
Pd. .....Paid
Per or ℔ ....By
Per ann. ....Per annum, by the year
Per capita.. .By the head
Per contra....On the other side
Per pro.or p.p.Per procurationem,on behalf of
Per se.....By itself
Pkgs. .....Packages
p.m. .....Post meridiem, afternoon
P/N. .....Promissory Note
P.O. .....Postal Order, Post Office
P.P. .....Parcel Post
p.p.....Pages
Prima facie ..At first sight
Pro forma....For form's sake, as a matter of form
Prof. .....Professor
Pro. tem. ....For the time being
Prox.....Proximo, next month
P.S. .....Postscript, written afterwards
P.T.O. .....Please turn over

Qr. .....Quarter
Quid pro quo.One thing for another
q.v. .....Quod vide, which see

R/D. .....Refer to drawer
Re .....In the matter of
Recd.....Received
Rect. .....Receipt
Ref.....Reference
Regd.....Registered
Retd. .....Returned
Rev. .....Reverend
Ry. .....Railway

S .....Solidus, Shilling; South
Salop .....Shropshire
Sine die.....Without a day appointed
S.E . .....South East
Sec. .....Section
Secy.....Secretary
Sr., Senr. ....Senior
Seq. .....Sequentes, the following or the next
Ship't .....Shipment
S.O. .....Sub-Office
S.S. .....Steamship, station to station
Staffs .....Staffordshire
Stet .....Let it stand
Stg.....Sterling
Sub-judice ..Under consideration
S.W. .....South West

T.M.O. .....Telegraph Money Order
T.O. .....Telegraph Order
T.P.O. .....Telegraphic Post Office
T.T. .....Telegraphic Transfer

UK. .....United Kingdom
Ult.....Ultimo, last month
Ultra vires ....Beyond one's legal powers
U.S.A. .....United States of America.

Vice Versa ....The terms being exchanged
Viz.....Videlicet, namely, to wit

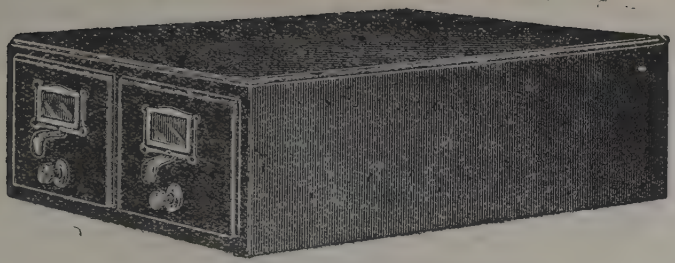
W.....West

W.C. .....West Central (London Postal District)
Wilts .....Wiltshire
wt. .....Weight

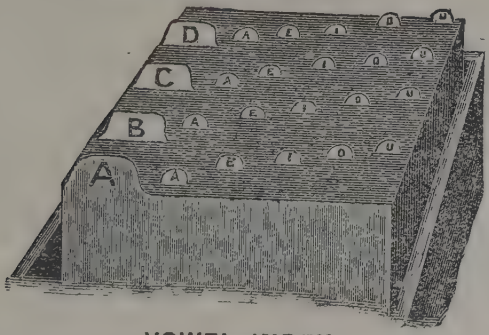
X.D. .....Without the dividend

Yd. .....Yard
Yorks. .....Yorkshire

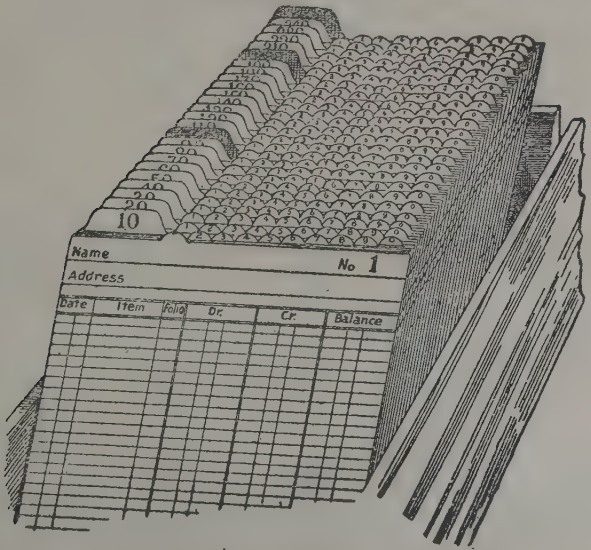
4to.	.. ..	Quarto, folded into four.
8vo.	.. ..	Octavo, folded into eight.
16mo.	.. ..	Folded into sixteen.
/	.. ..	the
+	.. ..	*plus*, add.
—	.. ..	*minus*, subtract.
×	.. ..	multiply, or multiplied by.
÷	.. ..	divide, or divided by.
:	.. ..	is to.
::	.. ..	so is.
>	.. ..	*greater than*, or *more than*.
<	.. ..	*less than*, or *shorter than*.
=	.. ..	*is equal to*:
∵	.. ..	*because*, or *for*.
∴	.. ..	*therefore*, or *and so*.
∧	.. ..	Caret: a mark indicating that something is to be inserted.
′	.. ..	Foot or feet ; minutes.
″	.. ..	Inch or inches ; seconds.
&	.. ..	and.
$	.. ..	Dollar, (money).
£	.. ..	a pound or pounds sterling.
°	.. ..	degree.
@	.. ..	at.
℔	.. ..	per, by
,,	.. ..	the same or like.
%	.. ..	Per cent.
‰	.. ..	Per thousand.
( )	.. ..	Parenthesis.
[ ] { }	..	Brackets.
→	.. ..	A British Government Mark.
¶	.. ..	Paragraph.
´	.. ..	Acute Accent.
`	.. ..	Grave Accent.
¨	.. ..	Diæresis.
§	.. ..	Section.
№	.. ..	Numbered.



CARD INDEXING.



VOWEL INDEX.



NUMERICAL CARD LEDGER.

GUIDE TO EXAMINATIONS.

From the following Examination Papers it will be seen that the **standards** of the various examining bodies vary considerably in this subject, which is described by a variety of names. While a little **overlapping** may be unavoidable among subjects so closely related as Handwriting, Commercial Correspondence, Commercial Practice, and Book-keeping, there is no reason why their limits should not be better defined than they are at present.

This textbook, however, **covers** the **Elementary** and **Intermediate Syllabuses,** in addition to more **advanced** matter, therefore the teacher who is preparing his students for an examination which is less pretentious in its scope, may *omit* those chapters dealing with subjects which are not included in his working syllabus.

The **names** and addresses, as well as some of the **Examination Papers** of the **examining bodies,** are given in the following pages. Most of the Examination Papers have been slightly **revised,** and those questions relating to postal regulations which have become obsolete, or were merely of passing value, have been omitted. **Handwriting tests,** whether from manuscript copies or from printed and tabulated matter have all been omitted, because the cost of reproducing them would have been out of all proportion to the benefit derived. Every daily newspaper contains both ordinary and tabulated matter which may be used for testing handwriting, as well as accurate and neat tabular figuring.

The LANCASHIRE & CHESHIRE UNION of INSTITUTES (*33 Blackfriars Street, Manchester*) in their Preliminary Commercial Course, divided into First Year and Second Year, hold an Examination in "English and Commercial Correspondence"; while in "Commercial English and Business Methods," they hold Examinations in the "Junior" and "Senior" Grades.

1909.

PRELIMINARY COURSE. FIRST YEAR. 1—Write out in your best style and in correct form the following letter:—"Brunswick St Liverpool 23rd March, 1909. Messrs. Finlayson Bros Glasgow Dear Sirs,—We are in receipt of your favour of the 22nd inst, in which you offer to open up for us, an agency in your City. We thank you for this offer and we agree to your suggestion and to the rates of commission proposed by you. Our senior will be in your City next week, say Tuesday the 30th inst., when he will call upon you to discuss other matters in connection with your proposal. We are, dear Sirs yours faithfully Keen & Co.

2—Write the following name and address exactly as you would on an envelope to go through the post:—Finlayson Bros Virginia St Glasgow.

3—Enter up as you would do in a postage book, making proper use of the double columns, the following items:—2nd March, /09, parcels and letters, 2/3½.
3rd, letters, patterns, and parcel post, 9/11
4th, letters, 1/5; newspapers, 1/3; 5th, letters and samples, 4/6.
6th, letters, 10/6
Add up the column and bring down the balance. The balance in hand on the 1st March was £3 16s. 7½d.

4—State (*a*) the limit of weight allowed to be sent by inland parcel post and (*b*) up to what weight may be sent that way for 5d.

5—Show (*a*) how an envelope is marked before being sent through the post as a registered letter (inland), (*b*) state the charge for registration, and (*c*) what must be done with such a letter at the post office?

6—Suppose you wished to forward 15s. 9d. to a friend, explain clearly how you could do so by means of the post office.

7—Explain how you would index the following :—A. G. London, Ltd., Manchester; The Secretary, Chamber of Commerce, London, E.C.; Crosby, Wilson & Co., London, S.W.; The Bleachers' Assocn., Ltd., Manchester; Samuels, Robinson & Co., Loughborough; The Manager, Wigan Gas Works, Wigan.

8—Write (*a*) the following inland telegram :—"Daimler, London, 40 h.p. car must be here latest Tuesday morning or cancel Thompson." (*b*) State the cost of the telegram.

PRELIMINARY COURSE. SECOND YEAR. 1—Write a letter to Messrs. Allen, Munn & Co., London, E.C., expressing your regret that you have not been able to deliver certain goods on order owing to the strike. Mention a probable date for delivery. Write the letter as from Roger Greenway & Co., Burnley.

2—Print in block letters using two of the ruled lines as limits of the size of the letters, the words MARKET REPORTS.

3—Make out a Petty Cash A/c. for the following items (making proper use of the double money columns) :—

Jan. 2. By Charwoman, 10/-; window cleaner, 3/-; parcel from H. W. & Co., 9d.; stamps, £1.
4. ,, Stationery 4/9; box to Mr. C., 1/3; bill stamps, 5/-.
5. ,, Brushes, etc., 2/6; telephone, 5/3; carbons, 4/-.
6. ,, Oil, 5d.; string, 1/-; coals, £1 17s. 6d.
7. ,, Globes and Incandescent Mantles, 7/6.
8. ,, Tea money, 7/-; repairing clock, 3/6.

The balance brought forward from the 1st Jan. was £9 3s. 3d. Deduct the expenses and show the balance.

4—Draw up in proper style an inland bill of exchange at 3 m/d. on Messrs. Sutton, Gaze & Co., Oldham, as from Roger Greenway & Co., Burnley. Date the Bill 4th Feb., 1909. Amount £250 13s. 9d.

5—Make out in proper style and form an invoice or bill for the following :—

1 pc. grey calico, No. 3380, 98¼ yds., 1 15/16d.	...	...	15	10
1 pc. 36in. pure shrunk long cloth, 78 yds., 5⅛d.	...	...	1	13 4
1 end 56in. tweed, 25 yds., 9⅞d.	...	...	1	- 7
4 pcs. 30/1 colored sateens, 177½ yds., at 3⅞d.	...	...	2	17 4
1 pc. 24in. self Yorkshire flannel, 66 yds., 5½d.	...	...	1	10 3
6 pcs. dark flannelettes, 357½ yds., 3⅛d.	...	...	4	16 10

Deduct 3½% disc. and show the net amount. Date of the invoice 15th Jan., 1909. Sellers :—Wm. T. Brown & Sons, Birmingham. Purchasers :—Richard Cox & Co., Bilston.

6—Give the meanings of the following abbreviations :—Via., E.E., Chq., p.m., Ltd., Hhd., U.K.

JUNIOR GRADE. 1—Write an essay on ONE of the following subjects :—(*a*) Lancashire as a trading centre, (*b*) how may Great Britain retain her supremacy in the world's commerce?

2—Draw up in proper style and form the following shipping invoice :—Goods sold by the Export and Import Co., Ltd., Liverpool. Purchased by the Bonanza Stores Co., Yokohama, Japan. Date of Invoice, 31st Decr., 1908. Shipment made by s.s. "Flintshire," Birkenhead. Sailed 23rd Decr., 1908. Five cases of Linen Goods { B.S. } 1/5, Yokohama.

1.—30 pcs. 40″ Loom Damask Tabling, 25/50, 10/43, 1430 yds., 5½d. £30 10 9.
2/3—60 pcs. 46″ Loom Damask Tabling, 40/55, 20/59, 3380 yds., 5⅝d. £80 19 7.
4/5—40 pcs. 50″ Loom Damask Tabling, 37/54, 2/50, 1/37, 2135 yds., 6¼d. £55 12 0.

Charges :—Packing 5 @ 10/6, freight 30 cubic feet @ 40/- per ton measurement, thro' rate, 10% primage; Marine Insurance £200 at 6/8% F.P.A., plus London, E.C., to Messrs. Lazarovitz frères, Galatz, offering to act as buying stamp. Deduct 2% from the amount of the goods and show the total.

3—Write in your best style a letter as from Messrs. J. Lawson & Co., Ltd., agents in London for British goods. Name the terms required, and the credit you will allow. State the name of the goods you particularly desire to buy for them, and include in the letter any other particulars you deem necessary. Mention that references can be given to houses of repute in England and other countries.

4—Draw up a newspaper advertisement of the sale of some cottage property. Give the best description possible to attract the attention of likely purchasers. State full particulars. The advertisement must not exceed 60 words.

5—Condense the following market report into a telegram :—"The Woollen and Worsted Trades, London, Thursday. At the re-opening of the auctions here to-day buyers were in large attendance, and increasing animation was displayed

all round, practically the whole of the catalogues being cleared on the full basis of values hitherto ruling The offerings comprised over 14,000 bales, made up chiefly of merino wool suitable for Continental consumption, and, with the exception of a few of the best greasy parcels which were secured for America, fell to bids mostly on French and German account. The large assortment of greasy merinos from Sydney and Queensland included some well-grown clips, the former realising up to 14½d. and latter 13d. per lb."

6—Draw up in *proper commercial form* a bill of exchange at 3 mos. sight for £562 14 7, as from Messrs. J. Lawson & Co., Ltd., London, E.C., on Messrs. Silvia Garcia and Piriz, Buenos Ayres. Date of Bill, 16th January, 1908.

7—State the meanings of the following :—Bullion, joint stock bank, days of grace, firm offer, price current, accommodation bill.

SENIOR GRADE. 1—A shipment of produce is being made by a firm in Argentina to a firm in London. The terms are cash against documents. Describe (*a*) What the documents referred to would be, (*b*) How they would reach the London firm, (*c*) What course would the London firm adopt in order to get possession of the produce.

2—Condense the following market report into a message for telegraphing :—
" Consumers very rarely show any inclination to operate while the speculative markets are in an unsettled state, and their attitude during the past week proved no exception to this rule. Purchases of refined copper were thus rather restricted, especially from the Continent, where the recent heavy buying movement appears to have satisfied the urgent demand of manufacturers. There is, however, evidence of a satisfactory consumption in most branches, and with the first real improvement in Standard copper we expect a fresh outburst of consumptive demand. A fair business was transacted with the home trade, and the British War Office bought a good line of fine copper and ammunition metal. The French Government is also in the market for a large supply of copper wire, but, on the other hand, the authorities there have decided upon a new coinage of aluminium in lieu of bronze. The situation in United States is quite unchanged. The leading producers after having sold such enormous quantities to the trade show entire indifference to the lower quotations ruling, these being the outcome of concessions made by the dealers. Some of the big consumers appear to have availed themselves of these reduced offers, and have purchased quite important quantities for delivery right into next year. The total transactions during the week amounted to about 7800 tons."

3—Show (*a*) a sight draft for £500 on Paris Exchange as per endorsement, and (*b*) state the amount the drawee would be required to pay, the exchange of the day being 25.21½.

4—Suppose a purchase were made in Roubaix of 2000 metres of a fancy dress material at 3.00 fcs. per metre and the carriage to Bradford were to cost £5 2 9. State in English currency (*a*) the total cost, and (*b*) the price per yard. The difference between metres and yards may be taken as 10%, the exchange 25.20 fcs.

5—Explain (*a*) the uses of Consular invoices, and (*b*) give the names of two countries for which Consular invoices are required.

6—A packet measures 2ft. 11in. x 2ft. 3in. x 2ft. 9in. State what the freight of this package would be at the rate of 35s. per ton of 40 cubic feet, plus 10% primage.

7—Describe what you know about cheques.

8—Give the meanings of the following terms :—Dead weight, overdraft, Bank of England reserve, renewals (as applied to bills), re-insurance, specific duty.

9—Taking a " loco " price as a basis, name what additions would be required to make this price into (*a*) a c.i.f. price, and (*b*) a " franco " price.

10—Show an example in full of a shipping advice.

11—State the difference between Lloyd's and an ordinary insurance coy.

12—Describe (*a*) the difference between loan and share capital, and (*b*) name some forms of share capital.

13—In banking there are deposit a/cs. and current a/cs. What are these?

14—Where does an insurance company's liability under a marine policy usually begin and end?

LANCASHIRE & CHESHIRE UNION, 1910.

PRELIMINARY COURSE. FIRST YEAR. 1—Write out in correct style, the following letter :—

56 Park Road, Rawtenstall, 15th Mar., 1910.

The Speedwell Gas Engine Co., Atherton Road, Salford. Dear Sirs : We shall be glad if you will arrange for your workmen to test and thoroughly overhaul our gas engine. It has been running for over eight years, and up to the present has required very little attention. Our engineer now reports the development

of one or two slight defects. As our premises will be closed from the 19th to the 30th inst., we think it well that the engine should be put into good working order, rather than run the risk of a breakdown, which would cause us loss and inconvenience. Yours faithfully, William Rodley & Sons.

2—Show how the above letter would be docketed.

3—State (*a*) what would be the postage on a letter weighing 4½ ozs. addressed to Henry Hawkins, Trawden, near Colne, and what amount would be charged, (*b*) if the letter was posted unstamped, or (*c*) posted with ½d. stamp only.

4—Explain the use of the "cross reference" in indexing the letter book. Give examples to illustrate your answer.

5—Enter up as you would in a postage book, the following items :—25th Feb., 1910. Cash in hand, £2; 27th, W. Benjamin, Southsea, letter, 1d.; R. Wakem, Brighton, registered letter, 3d.; J. W. Taylor, Croydon, parcel, 7d.; thirty circular letters, 1s. 3d.; W. Harris, Birmingham, telegram, 8d.; J. Murray, Huddersfield, patterns, 10d.; G. Grant, Leeds, letter, 2d.; W. Pike, Bradford, letter, 1d.; six receipts, 6d. Close the a/c. and carry down the balance.

6—Say how you would remit the following amounts through the post office, and what the cost would be in each case, without taking into account the postage (*a*) Eleven pence; (*b*) Eleven shillings; (*c*) Eleven pounds.

7—Show how you would address an envelope to Walker, Lambert & Co., Queen's Park Road, Leith.

8—Write out in correct form, the following telegram and state the cost of transmission :—"Robinson, 16 Greek Street, Nottingham. Send £5 10s. by telegraph money order. Urgent. Reginald."

PRELIMINARY COURSE. SECOND YEAR. 1—The safety rope of the passenger lift on the premises of Brown & Bradley, 18 King Street, Oldham, having broken, you are required to write a letter to the Manchester Engineering Co., 162 Broad Street, Manchester, requesting them to send workmen at once to effect the necessary repairs.

2—Write a telegram to be sent by the Manchester Engineering Co. to Messrs. Brown & Bradley, acknowledging receipt of their letter, and stating that workmen are being sent by the 11-30 a.m. train to repair the damaged rope. Give the cost of the telegram.

3—Print in block letters the word "Correspondence," using two of the ruled lines as limits of the size of the letters.

4—Make out an invoice for the following goods, sold by Hunter & Holt, The Broadway, Liverpool, on 22nd March, 1910, to James Slater & Sons, Market Place, Lancaster :—

1 doz.	size 2 dusting brushes	@ 24/9 per doz.
,,	4 x 3 stippling ,,	@ 73/- ,,
½ ,,	6 oz. limer heads	@ 88/6 ,,
2 ,,	size 5 camel hair mops	@ 14/3 ,,
½ ,,	glaziers' hacking knives	@ 10/6 ,,
3	palette knives	@ 10d. each.

5—Deducting discount at the rate of 2½% from the invoice mentioned in the previous question, make out a cheque, dated 1st April, 1910, and drawn on the Lancaster Old Bank, Ltd., in settlement.

6—Give the meaning of six of the following, viz., per pro., a.m., ult., P.S., @, &c., pcs., pp., Dis.

JUNIOR GRADE. 1—Write an essay on either : (*a*) The services which railways and canals render to commerce; or (*b*) The import and export trades of Lancashire.

2—Condense the following market report into a telegram :—Liverpool Cotton Exchange. The Liverpool cotton market opened surprisingly strong. The initial rates were 7 points' rise followed immediately by another 6 to 7 points advance. The feeling was expressed that spinners must come in at about the present prices and there seemed no one with the disposition to sell cotton. On the other hand there was a marked inclination to get hold of cotton. There was a further help of orders in to buy, both from America and the continent. The afternoon market was fairly active with a tendency to ease off a little. The finish was 10 to 12 points up on the day.

3—Make out an invoice for the following goods sold by Silas Mariner & Co., Leeds, to Frederick Gee & Son, Manchester :—

10 pcs. 26″ Sicilians (black)—
2/62, 3/61, 3/61½, 1/60½, 1/60 = 612 yds. @ 8½d. per yd.
12 pcs. 27″ blue Sicilians—
3/60, 2/60½, 3/61, 2/61½, 2/62 = 731 yds. @ 9½d. per yd.
Less 3½% discount, which is to be deducted.

4—One of the pieces of blue Sicilians, measuring 60 yards, is returned. Show the document which would pass between the two firms to put the matter in order.

5—From the following particulars make out an account sales:—160 teak flitches ex S/S Manchester, sold on a/c. of Messrs. Birtwhistle & Co. Measurement—620$\frac{6}{10}$ cub. feet, at £11 5s. per 50 cub. feet. Charges: Dues and entry, 13s. 8d.; Freight as per B/L., £33 2s. 8d.; Master, porterage, &c., 15s. 11d.; Measuring charges, 15s. 3d.; Quay rent, 3s. 10d.; Fire insce., 1s.; Interest, 17s. 9d.; Bank commn. and guarantee on £139 11s. 4d. at 2½%. Sold in Liverpool, 30th Nov., 1909. Due 21st May, 1910. Sellers: Peter Paine & Co.

6—Mr. B. King, of Pendleton, on retiring from business as a chemist and druggist, which he has carried on in the same premises for over 40 years, disposes of the stock and goodwill as a going concern to Messrs. Peary & Poole, a firm which has branches in a number of towns throughout the north of England. Draw up a circular letter, such as might be sent by Peary & Poole to Mr. King's customers, calling attention to the transfer of the business and soliciting their support.

7—From the following particulars draw up in proper commercial form, an inland bill of exchange, showing the due date, acceptance, and stamp value. Date: 21st March, 1910; Currency: Three m./d.; Amount: £122 10s.; Drawers: H. Ridgeway & Co., Liverpool; Drawees: T. W. Lyall & Co., Leith. Payable to the order of the Drawers.

SENIOR GRADE. 1—Make out a shipping invoice for one case containing 6 pcs. fancy worsteds, shipped at Liverpool, per S S. Sultana, by Marcus Baxter & Co., Manchester, for J. Fruhling & Sons, Calcutta. The particulars are as follows:—

4 pcs. blue, 43, 42, 44½, 43½ yds. at 2s. 3d. per yard.
2 pcs. black, 42, 43 yds. at 2s. 3d. ,,

The charges are:—Packing, 12s.; Carriage to Liverpool, 2s. 3d.; Shipping charges and B/L. 3s.: Freight to Calcutta (case measures 3′3″×2′ 7″×2′ 9″) at 23s. 6d. and 10% primage per measurement ton of 40 ft. Marine insurance, A.R. at 6s. per cent. on £35 and stamp.

2—Work out the c.i.f. price per yard for the above goods in rupees. Exchange may be reckoned at 1s. 4½d.

3—Make out a freight account for the following:—5 cases, each measuring 2′ 5″ × 2′ 8″ × 1′ 10″, at 32s. 6d. per ton and 10% primage, 2 bales, each measuring 2′ 6″ × 3′ 0″ × 2′ 2″, at 25s. per ton and 10% primage.

4—What is the equivalent of £50 10s. in the currencies of the following countries, at the rates of exchange quoted? France, 25.17; Germany, 20.41; India, 1s. 4½d., Italy, 25.32, Holland, 12.12.

5—What is a bill of lading, how many copies are made out, and how are they disposed of?

6—Why are foreign bills of exchange frequently drawn in duplicate, and sometimes in triplicate?

7—In what respects does a private company differ from an ordinary limited liability company?

8—Illustrate four ways in which cheques may be crossed, and explain the effect of each.

9 Is a cheque invalid (*a*) if it is undated, (*b*) if it is post-dated, (*c*) if it is dated on a Sunday or a Bank Holiday?

10—What is a certificate of origin? Mention two countries for which such certificates are required.

11—Mention two kinds of goods on which customs duties are levied in this country, and say whether the duties are specific or ad valorem.

12—Explain the difference between a "clean" and a "foul" bill of lading.

13—What is the meaning of the phrase "Commission and del credere 3½%"?

14—A B/E. dated 4th March at 3 m/s. is drawn by William Berry on Thomas Beardmore & Sons, by whom it is accepted on the 7th March. State (*a*) when, (*b*) by whom, and (*c*) to whom the bill must be presented for payment.

LANCASHIRE & CHESHIRE UNION, 1911.

PRELIMINARY COURSE. FIRST YEAR. 1—Write a letter from F. P. Roberts, Ltd., King Edward Street, Liverpool, to Wm. Perkins, Market Place, Bury, Lancs., dated to-day, saying that you are enclosing a price list of choice mild-cured bacon and hams. Your firm has been established for over half a century, and is now one of the biggest houses in the North of England for bacon and hams. Quality is always the first consideration. All quotations are subject to immediate reply. Solicit a trial order. We will be glad to arrange for your representative to call if desired.

2—Show how the following names would be entered, in a vowel index :—Waugh, Whincup, Webb, Warner, Whyman, Whitworth, Wallace, Worsley, Wynne, Worswick, Wiseman, Woodhouse, Whelan, Wurtheimer, Wainwright, Wrigler.

3—State (*a*) the smallest, and (*b*) the largest, amount for which a single postal order is issued, and say how you would forward the sum of £2 6s. through the post.

4—What is the special rule which applies to circular letters printed in imitation of typewriting, when sent by half-penny post? What would happen if the rule was disregarded?

5—What would be the cost of the registered letter referred to in question 7, supposing it to weigh 5½ ounces.

6—Enter as you would in a postage book the following items :—13th March, 1911, Balance in hand, £1 15s. 9d.; 13th, 30 Circulars posted, 1/3; 14th, Telegram, 7½d., Letters, 1/6; 15th, Parcel, 9d., Letters, 2/2; 16th, Registered Letter, 4d., Letters, 3/9, Parcel, 10d., Letters (Express), 10d.; 17th, Letters, 3/10; 18th, Cable, 8/6, Letters, 2/-. Close the account and carry down the balance in hand.

7—Show how you would address and mark an envelope for a registered letter to Parker, Watts & Co., Ltd., Premier Mills, Bolton.

8—Write the following telegram stating the cost :—" Cookson, 18, Bury Road, Ashton-in-Makerfield. Can offer twenty cases Tates Cubes 18/3 subject immediate reply Sweeter."

PRELIMINARY COURSE. SECOND YEAR. 1—Print in block letters, using two of the ruled lines as limits of the size of the letters, the words " PRICE LISTS."

2—Write a letter from Messrs. Stanley, Wilks & Co., Tailors and Outfitters, Padiham Road, Blackburn, to James H. Pearce, Ivydene, Pendle Road, Blackburn, informing him that owing to the expansion of their business it has been found necessary to secure more commodious premises at 10-12 Market Avenue. Business will be carried on at the new address from Monday next, and the firm hopes to be favoured with a continuance of Mr. Pearce's support.

3—Give the meanings of the following :—N.B., pp., R.S.V.P., On appro., P.O., together with abbreviations of the following :—Cash on delivery, Account Sales, Manuscripts, Debtor, Errors and Omissions excepted.

4—From the following make out an invoice : 28th March, 1911.

Purchasers :—Robert Fearey & Son, 18 Market Place, Bacup.

Sellers : Phipps, Rashleigh & Co., Union Square, Manchester.

3 sets " Edderwick " Table Glass @ 36/- per set.
2 doz. No. 863 Cut Tumblers @ 2½d. each.
6 8" assorted patt. Flower Bowls No. 82 @ 4/3 each.
2 " West-end " Dessert Sets (18 pcs.) @ 22/- per set.
3 " Cambridge " Dinner Sets, Selected @ 38/- per set.
6 One Pint Glass Jugs No. 432 @ 2/2 each.
Packing Case (Returnable) 8/6.

5—The packing case charged in the invoice referred to in question 4 is returned on the 31st March. You are required to make out the credit note which would be sent to Robert Fearey & Son.

6—Wm. Heathcote owes to Ralph Redmond the sum of £18 10s. which he is willing to pay on the 20th April. You are required to show (*a*) an I.O.U., and (*b*) a Promissory Note for the amount.

JUNIOR GRADE. 1—Write an essay on either :—(*a*) The services rendered by banks to business men; or (*b*) The Cotton trade; or (*c*) Shipping.

2—Condense the following market report into a telegram :—West India crystalised is 6d. to 1s. lower;—otherwise quotations remain unchanged. More inquiry has been experienced this week, chiefly for English refined, and the tone of the market has been generally steady at the recent decline. As the cost of production is presumed to have been reached, the continued resistance by Continental holders against further concessions is not altogether surprising. It is apparent, however, that the demand will be conducted on very cautious lines this year, in view of the excessive supplies which have to be handled, and despite the possibility of much increased consumption.

3—Messrs. Bolton & Banks, Produce Brokers, of Liverpool, are expecting a consignment of 500 barrels of Canadian apples to arrive by the steamship " Dominion " on Wednesday next. The apples are of an exceptionally fine quality and will be offered for sale by auction at the brokers' rooms on Friday next, at 10-30 a.m. You are required to draft a circular letter suitable for sending to likely buyers, calling attention to the sale, and inviting them to attend.

4—Make out an invoice for the following goods, sold by Rupert Harris & Co., 52 Belmont Road, Liverpool, to James Fell, Grocer, &c., Oswaldtwistle, on 13th March, 1911 :—2 casks Saltpetre at 25s. 6d. per cwt. No. 1. Gross 1 cwt. 1 qr. 8 lb., Tare 16 lbs. No. 2. Gross 1 cwt. 26 lbs., Tare 14 lbs. Per L. & Y. Railway. Carriage paid.

5—Goods have been sold by Reginald Horner & Co., Stockport, to William Dell, Dukinfield, as follows:—2nd Feb., £8 16s. 9d.; 8th, £12 18s. 6d.; 16th, £10 9s. 3d.; 21st, £8 6s. 7d. On Feb. 9th goods were returned, as unsuitable, to the value of £3 14s. You are required to make out a statement of account, to be rendered on 1st March, with 3⅜% discount deducted.

6—Monsieur A. Bouteille, of Marseilles, owes to the Huncoat Spinning Co., the sum of £82 10s. You are required to draw up, in proper commercial form, a bill of exchange, dated 1st March, payable at 30 d/s. in settlement. The amount must be expressed in French currency, the rate of exchange to be taken at 25.26.

7—Write out in full and explain briefly the following:—L/C., Hhd., B/L., o/oo., Comm., F.o.r., Trunk Call, Demand Draft.

SENIOR GRADE. 1—Make out the following export invoice:—Shipped by James Woodleigh & Co., Manchester, to George Gooch, Durban, per ss. "Richmond," sailing from Manchester, on 10th March, 1911, 18 Iron hooped Crates containing 180 boxes x 24 lbs. Stearine Candles = 4320 lbs. at 5/3 per dozen lbs. Each crate measures 4′ 9″ × 1′ 6″ × 2′ 2″, and freight is charged at 22s. 6d. per ton of 40 cubic feet, plus primage at 10%. Insurance A/R. on £110 at 7/6% and stamp. Bills of Lading and Stamps 3/6. Commission 2½%.

2—At what price per doz. lbs. could the candles mentioned in the above invoice be quoted c.i.f. Durban?

3—Give the items you would expect to find under the head of "Charges" in an account sales for a consignment of Spanish onions, sold by a firm of brokers in Manchester on account of a Lisbon firm.

4—Explain briefly the difference between an account current and a current account.

5—What is a Mate's Receipt? By whom and to whom is it issued, and what is the difference between a "foul" and a "clean" receipt?

6—Three packages, each measuring 3ft. 6in. x 2ft. 4in. x 1ft. 9in., are forwarded by steamer to South America. State the amount which would be charged, the rate of freight being 30s. per ton of 40 cubic feet, with 10% primage.

7—Show an example of a shipping invoice.

8—Describe briefly how shares are applied for and allotted in a newly formed joint stock company.

9—Show how you would distinguish between the (*a*) authorised (*b*) subscribed, and (*c*) paid-up capital of a company.

10—From the following particulars draw a crossed and "Not Negotiable" cheque, explaining the precise meaning and effect of the words "Not Negotiable." Date: 12th March, 1911. Amount: £16 10s. 4d. Drawer: B. Randall. Drawees: The Lancashire & Cheshire Banking Co., Crewe. Payee: Robert Winters.

11—The following statement of foreign exchanges is obviously wrong. Point out in what respect this is so:—Paris cheque 20.40. Berlin cheque 25.26. New York 1s. 4½d. Calcutta 4.80.

12—Give the meaning of the following terms, used in connection with marine insurance:—(*a*) Valued policy; (*b*) Open policy; (*c*) Constructive total loss.

13—Bertram Whiteley is indebted to James Packer to the extent of £30. Show (*a*) an I.O.U., and (*b*) a P/N., for the amount, and say whether either of these documents would require to be stamped.

LANCASHIRE & CHESHIRE UNION, 1912.

PRELIMINARY COURSE. FIRST YEAR. 1—Write out in correct form and properly punctuated, the following letter, dated 19th March, 1912:—From Edward Ellis & Co., 58 Preston Road, Bolton, to E. Egerton, Barrowford Road, Nelson. Dear Sir,—We beg to acknowledge the receipt of your order of the 16th inst, for which please accept our best thanks. This order has been put in hand for dispatch on the 30th inst. If this will not meet your requirements please write us by return and say the date you would like the goods delivered. It will facilitate matters considerably if you will kindly state on any orders you send us the date you wish us to deliver the goods giving us of course as much time as possible in which to complete. Assuring you of our best attention. Yours faithfully.

2—State (*a*) The largest amount for which an inland money order is issued; (*b*) the smallest amount for which a postal order is issued; and (*c*) the charge for a money order for the sum of £3 15s.

3—Give (*a*) the limit of size, (*b*) the limit of weight for an inland parcel. What would be the postage on a parcel weighing 7½ lbs.?

4—Show how you would index the following:—A. E. Eades, Liverpool; The Manager, Earlswood Waterworks, Earlswood; Edwards, Elder & Co., Southampton; The Animated Picture Co., Bury; The Secretary, Technical Institute,

Chester; The Editor, Daily Courier, Leigh; Dr. Robert McFarlane, Dundee; Bristol and Bath Electric Supply Co., Bristol.

5—You are sending an important letter to Mr. W. Emmerson, of St. Annes-on-the-Sea. Apart from registration, how can you secure proof that the letter has been posted?

6—From the following particulars make out a postage book. Close the account and carry down the balance :—Mar. 18, Cash in hand, £3 0s. 6d.; Mar. 19, Elvey, Neath, letter, 4d.; Etchells & Elford, Bradford, parcels, 1/3; 60 Circular letters, 2/6; Robert Edwards, Nottingham, telegram 7d.; English Fibre Co., Dundee, reg. letter, 3½d.; J. Eddington, Johannesburg, letter, 3d.; Earnshaw & Easton, Bolton, patterns, 8d.

7—Show how you would address an envelope to Edward Edmondson, Junior, 260 Fleetwood Avenue, Rawtenstall.

8—Write the following telegram, and state the cost of transmission to the two addresses given, having in mind that they are in the same postal district; "Steamer Empress arrived shall offer 800 crates bananas Thursday Ellamson." Erskine, 99 Church Road, Accrington; Evans & Harris, 4 Church Road, Accrington.

PRELIMINARY COURSE. SECOND YEAR. 1—Write a letter, dated to-day, from Samuel H. Elderton, 28, Harwood Road, Blackburn, to the Enamelled Plate Co., Bridgend Works, Birmingham, asking for the lowest quotation for five enamelled iron advertising plates, in blue and white, the design for which you enclose. The plates must be made in strict accordance with the design, and you are anxious to know the earliest date at which delivery can be effected should you decide to place an order.

2—From the following particulars make out a monthly statement of account to be rendered by Herbert Lascelles and Co., Manchester, to James Erith, Nantwich, on 1st March :—Feb. 5, To Goods, £18 9s. 10d.; 9th, To Goods, £16 8 . 7d.; 14th, To Goods, £8 9s. 3d.; 16th, By Returns, £3 2s. 2d.; 19th, To Goods, £34 2s. 9d.; 22nd, To Goods, £8 7s. 3d.; 23rd, By Allowance, 3s. 6d.; 27th, To Goods, £13 9s. 2d. Deduct 2½% discount.

3—Write in bold round hand the following heading of a ledger a/c. :—Dr. EMSON & FARR LTD. Cr.

4—Give the meaning of the following abbreviations :—c/o., E.E., 1 mo. net, B/E., R/D., o/oo., Cr., C.O.D., Encl., Chq.

5—From the following particulars you are to draw up in proper commercial form a B/E., payable at 3 m/d. :—Drawers : Edwards & Hattersley, Chorley. Drawees : Ellison, Barker & Co., Ltd., Clitheroe. Amount : £83 10s. 6d. Date : 26th March, 1912. Show the acceptance, and state the amount of stamp duty.

6—In writing to a correspondent to-day, how would you refer to the following dates :—5th Jan.; 16th Feb.; 7th March; 5th April; 4th August?

JUNIOR GRADE. 1—Write an essay on one of the following subjects :—(*a*) British weights and measures; (*b*) Clerks and their duties; (*c*) The Post Office and its work.

2—Condense the following market report into a telegram :—A firm tone has prevailed in all quarters of the market, and although few large lines have been put through the enquiry in certain directions appears to be a little more extensive than a few days ago. Buyers have not yet sufficient confidence to operate freely, and there is still some anticipation of easier rates in the near future. Cloth prices have been tested on a fair scale, but many of the offers put forward have been of an impracticable character, and have had to be sent back for limits to be raised. Some sales are reported in shirtings for Bombay and Madras, and the general enquiry in fine fabrics in Calcutta keeps up fairly well. Some reports as to the outlook in China are a little more encouraging, but the financial position of the native banks on the other side will have to improve before a large trade can be done.

3—Make out in correct form a shipping invoice for the following goods, sold by the Empire Stores, Ltd., Manchester, to Elliott & Fowler, Calcutta, forwarded per s.s. City of Lincoln, from Manchester :—1 Case No. 7153, containing 40 pcs. 30″ shirtings=2431½ yds. 1 Case No. 7154, containing 40 pcs. 30″ shirtings=2422 yds. Price 6¾d. per yd. Freight on 35′ 6″ at 32s. 6d. per ton of 40 cubic feet, plus 10% primage=£1 11s. 9d. Shipping charges 5s. 4d. Packing £1 5s. Marine Insurance on £160 at 5s.% and stamp. Patterns, 2s. 2 Cases (tin lined)—

# 7153	# 7154
501	498 lbs. in paper, &c.
582	580 lbs. gross.

4—Fairweather & Falkner, of Liverpool, have sold goods of the value of £82 10s. 9d. to Faraday & Sons, of Cardiff. Payment is to be made by a draft

payable at 3 m/d. You are required to draw the draft, and show the acceptance, stating also the amount of stamp duty payable.

5—Give an example of a "Tender" or "Estimate."

6—Explain fully the meaning of the following terms:—(*a*) pro tem. (*b*) Gross weight. (*c*) Prompt cash. (*d*) Carriage forward. (*e*) Proximo.

7—Explain the meaning of the following terms used in connection with Bills of Exchange:—(*a*) Drawing. (*b*) Accepting. (*c*) Retiring. (*d*) Backing. (*e*) Renewing.

SENIOR GRADE. **1**—Make out the following export invoice:—Buyers: Dos Santos & Mencia, Sao Paulo, Brazil. Sellers: E. Eckroyd & Sons, Manchester. Four bales marked

507/10 each containing 75 pcs. 29″ grey printing cloth, at 15s. 6d. per pce. Quality M243. Each bale measures 29′ 10″ and weighs 430 kilos. gross and 421 kilos. net. Packing at 14s. 6d. per bale; Freight (through rate) at 50s. and 10% per ton of 40 cubic feet; Consular fees and B/L. 3s. Forwarded through W. Eaton & Co., Liverpool, for shipment per S.S. Excellent to Santos.

2—At what price per piece would you quote the goods specified in the above invoice (*a*) c. & f. and (*b*) c.i.f., and supposing the marine insurance to cost 12s. 6d.?

3—What are (*a*) Share Warrants; (*b*) Debentures; (*c*) Preference Stocks; (*d*) Cumulative Preference Shares; (*e*) Deferred Shares.

4—Mention three ways in which the acceptance of a Bill of Exchange may be "qualified" and state the effect upon the drawer in each case.

5—From the particulars given below make out an Account Sales for 27 packages rubber ex S.S. Invincible, Liverpool, sold for and on account and risk of Messrs. Farquaharson & Co. by Robert Elliman & Co., Liverpool, 6 Cases Nos. 153/158 Crepe No. 1, Gross wt. 6c. 3q. 8lbs., Tare 1c. 0q. 11lbs. @ 7 3/4d. per lb. 3 Cases Nos. 159/161 Crepe No. 2, Gross wt. 3c. 2q. 7lbs., Tare 2q. 6lbs. @ 6/11½d. per lb. 1 Case No. 162 Crepe Fine, Gross wt. 2q. 5 lbs., Tare 15lbs. @ 6/10¼d. per lb. 17 Cases Nos. 163 179 Smoked Sheet, Gross wt. 29c. 3q. 23 lbs., Tare 3c. 0q. 7lbs. @ 7/10¼d. per lb. Allowance for Draft ½%. Discount 2½%. Charges: Printing and advertising 16s. 6d.; Brokerage £7 14s. 3d.; Freight (paid by consignors); Dock dues, landing, rent, &c., £3 6s. 9d.; Fire Insurance on £1525 at 1s.%; Marine Insurance and duty on £1439 at 3s. 9d.% and stamp, £2 15s. 3d.; Petty Expenses, entries, and stamps, 16s. 6d.; Commission (on gross amount) at ½%. Liverpool, 15th Mar., 1912.

6—State what is meant by:—(*a*) Documents against acceptance; (*b*) Cash against documents; (*c*) Documents against payment.

7—What is a Circular L/C., and under what circumstances would such a document be used?

8—Explain the meaning of the following terms used in connection with Marine Insurance:—(*a*) Wager policy; (*b*) Salvage; (*c*) Barratry; (*d*) Jettison.

9—Give the charge for freight on 5 cases, each measuring 2′ 6″ × 3′ 3″ × 2′ 9″ at 35s. per ton of 40 cubic feet plus 10% primage.

10—Fowler & Fox, Ltd., of Preston, have sold goods to the value of Marks 1562 to Herren Friedmann & Frisk, of Frankfort. You are required to draw a draft in settlement, payable at 1 m/d. The amount is to be stated in British currency, the rate of exchange being 20.45.

11—Show the correct endorsements for cheques made out as follows:—(*a*) Pay Mrs. Arthur Fortune or order; (*b*) Pay Farraday & Snell, Ltd., or order; (*c*) Pay Rev. C. H. Fea only; (*d*) Pay Albert French, Senior, or order; (*e*) Pay to the order of Robert Felton, Esq., M.D.

12—In what respects does a limited company differ from an ordinary partnership.

13—State the equivalent in sterling of the following amounts:—8216 Francs at 25.26 exchange; 526 Marks at 20.43 exchange; 1860 Rupees at 1.4 1/32d. exchange.

LANCASHIRE & CHESHIRE UNION, 1913.

PRELIMINARY COURSE. FIRST YEAR. **1**—Set out in business style, the following letter:—Date 23rd March. From John Fowler & Co., Alma Works, Widnes, to The Union Salt Co., Ltd., 21, Ford Street, Droitwich. In reply to your enquiry of the 21st inst. we have known the gentleman you mention for more than 30 years, during the greater part of which time we have had close business relations with him. We consider him intelligent and industrious and have always found him absolutely straightforward in his dealings. Although

our commercial relations have had an unfortunate termination for us we have the greatest regard for him and are anxious to do anything in our power to assist him. Yours faithfully.

2—Show how you would address an envelope to one of the following persons or firms :—The Secretary, Coal and Iron Co., Ltd., Burnley; Sir J. Barnet Field, K.C., Grand Hotel, Leicester; John Brown, Junr., Manager, The Smallware Mfg., Co., Ltd., Stockport; W. A. Taylor, M.A., LL.B., Coleridge Chambers, Market Street, Liverpool.

3—Explain what you mean by "docketing" a letter. Show how you would docket the letter referred to in Question 1.

4—Suppose you wanted a Money Order for £12, what steps would you take to obtain it, and how much would it cost?

5—What special postal regulations are there regarding packets sent by the halfpenny post?

6—An inland letter weighing 6¾ozs. is fastened, stamped with a penny stamp and posted. Would such a letter be delivered? If so, what charge would be made on delivery?

7—What is a "reply paid" telegram? How much would you have to pay to send a reply paid telegram (inland) containing 15 words?

8—On pages 22, 96, 115, 121, 150, 192, and 207 of the letter book, letters to S. Johnson & Co. are copied. How would you cross-reference these letters?

PRELIMINARY COURSE. SECOND YEAR. 1—Write a letter as from Mason, Birch & Co., 25 York Street, Manchester, to Brierley, Clegg & Co., Providence Mills, Stockport, informing them that the time for delivery of o/. 295 for 500 pcs. 36″ sheetings A. quality is three weeks overdue. As the market price of the goods is now much lower than it was when you bought the goods, you hold them responsible for any loss you may sustain on account of late delivery. Ask them to give you a definite date for delivery.

2—From the following particulars make out a Statement sent by John Thompson & Co., of 56 James Street, Burnley, to The Baghdad Shipping Co., of Lord Street, Manchester :—Mar. 13th. To Goods £25 10s.; Mar. 17th. To Goods £42 8s.; Mar. 21st. To Goods £94 2s.; Mar. 21st. By Returns £4 8s.; Mar. 24th. To Goods £4 16s.; Mar. 24th. By Returns £5 9s.; Mar. 26th. To Goods £121. Deduct 3% discount.

3—How much would it cost to send each of the following packets from Manchester :—(*a*) Letter weighing ¾ozs. to Bombay; (*b*) Letter weighing 1½ozs. to Paris; (*c*) Parcel weighing 3lb. 4oz. to Leeds; (*d*) Registered Letter weighing 2ozs. to London; (*e*) Patterns weighing 10ozs. to Cape Town?

4—Give the meaning of the following terms and abbreviations :—Voucher, Card Index, 8vo., Amt., B/L., Chq.

5—Make out a Credit Note sent by James Thompson & Co., 97 Albert Street, Stockport, to Ellis Bros., 126 Grange Street, Salford. Make the calculations : 4 pcs. 36″ Twill 325 yds. @ 4½d., less Trade Dis. 10%; 3 pcs. 36″ Sheeting 180 yds. @ 6¾d. per yd. net.

6—State what you know about the Postal Express Delivery service.

JUNIOR GRADE. 1—Write an essay on one of the following subjects :—(*a*) The Manchester Ship Canal; (*b*) The Liverpool Docks; (*c*) The industries of Cheshire.

2—Condense the following market report into a telegram :—"Business in the engineering and allied trades was good throughout last year; better, in fact, than for some years past, with the exception of cotton spinning machinery, for which the demand, though better than in 1910, was again poor. The financial results, however, have not been satisfactory. Margins generally have been small, owing to the considerable increase in wages and the large increases in price of raw and manufactured material, whilst prices of machinery have not advanced in proportion. Engineers' labourers are now receiving on an average 20% higher wages than they were eighteen months ago."

3—Make out a Shipping Invoice from the following particulars :—Date : 23rd March; Consignors : Appleton & Berry, Manchester; Consignees : H. Metha & Co., Bombay; 5 c/s. each measuring 3′ 6″ × 2′ 9″ × 3′ 0″, marked HM Bombay, per S.S. "City of Karachi," Birkenhead to Bombay. Total contents : 375 pcs. Shirtings qual. B @ 10s. p. pc. Charges : Packing 5 c/s @ 10s. each. Freight @ 25s. per 40 cubic feet and 10%. Shipping charges 5s. Postages and Bill Stamps 3/6. B/L. 6d. Insurance, £250 @ 10s. and stamp. Commission, £5.

4—State the advantages and disadvantages (if any) of the vertical system of filing correspondence.

5—Draw a Bill of Exchange from the following particulars :—Date : 15th Mar. Drawers : The Manchester Engineering Co., Ltd. Drawees : The National

Aeroplane Co., London. Payees: Selves. Terms: 30 d/s. Amount: £740. The bill is accepted by the drawees. Show the acceptance, state the amount of stamp duty, and the due date.

6—Define the following terms:—(*a*) Power of Attorney. (*b*) Interim dividend. (*c*) Documentary bill. (*d*) Post-dated cheque. (*e*) Average due date.

7—What do you understand by protesting a bill? When is such a course necessary?

SENIOR GRADE. 1—From the following particulars you are required to give quotations (*a*) f.o.b., (*b*) c. & f., and (*c*) c.i.f.:—Price of Goods, 300 pcs. @ 5s. 2d. per pce. less 2½% discount. 2 cases at 10s. each. Patterns, 1s. Freight, £1 2s. Bills of Lading, 6d. Insurance, 6s. Commission, £2 10s.

2—The Manchester Engineering Co. ship goods to the Bombay Spinning Co., Bombay. The National Bank of India, London, agree to advance against bill of exchange with shipping documents attached (to be surrendered on acceptance) 80% of the invoice value of the goods shipped by the Manchester Engineering Co. to the Bombay Spinning Co. Assuming that a shipment valued £800 is made, you are required to state fully the procedure on the part of each of the parties concerned.

3—Explain the use of Letters of Credit to commercial men. Give a specimen of such a letter.

4—Define the following terms used in connection with life insurance:—(*a*) Hm. table, (*b*) Mutual Company, (*c*) Proprietary company, (*d*) Surrender value.

5—Explain carefully and with precision the difference (in marine insurance) between (*a*) change of voyage, and (*b*) deviation.

6—What is the meaning of the following terms used in marine insurance?—(*a*) At and from. (*b*) Constructive total loss. (*c*) To pay average on each package if amounting to 3%. (*d*) Causa Proxima. (*e*) Lost or not lost. (*f*) R.D.C.

7—What do you understand by the term "insurance interest" referring to life insurance?

8—You receive advice from the Moscow Trading Co. that they have forwarded to you per S.S. "Crown Prince," a consignment of cotton goods. In due course you receive the bills of lading. What steps would you take to obtain possession of the goods, it being assumed that you do not employ an agent?

9—"In order to obviate the necessity for sending sovereigns in connection with trade remittances, the India Council has raised its weekly sales of drafts to 130 lakhs, which has done something to lessen the shipment of actual coins." The above is a quotation from a financial report. What do you understand by it?

10—What is the difference between a private limited company and a public limited company?

11—Give a description of the procedure followed in purchasing say 100 shares in the Rand Mines, Ltd., from the time of placing the order with the broker to the receipt of the certificate.

12—Give definitions of the following terms used in connection with the foreign exchanges:—(*a*) Gold points. (*b*) Mint par of exchange. (*c*) Favourable rate of exchange.

13—If the rates of exchange are as stated below, what is the equivalent of £250 in the money of each of the countries named? France 25.26½; Germany 20.44; United States 4.86½.

LANCASHIRE & CHESHIRE UNION, 1914.

JUNIOR GRADE. 1—Write an essay on one of the following subjects:—(*a*) The Telephone and its uses; (*b*) The value of Shorthand and Typewriting in business; (*c*) The Cotton Industry of Lancashire.

2—Show how you would endorse cheques made out as follows:—(*a*) The Parcel Delivery Company or order; (*b*) Mrs. Mary Parkinson or order; (*c*) Mr. William Perkins or order (the payee's name is Walter Perkins); (*d*) William Symes and Brothers only; (*e*) Thomas Barclay, junr., or bearer.

3—Condense the following report into a telegram, which is to be addressed to: "Journalistic, Manchester," viz.:—The year 1913 will hardly claim a conspicuous place in the annals of the copper industry. Labour troubles greatly curtailed the output of the metal, and prevented the World's total production from attaining even the moderate increase which had been expected for the past year. On the other hand, the consumption of copper has again beaten all previous records, although since October a gradual slackening of demand in Europe has been seen, whilst in America a very sharp contraction of business in November and December brought a rapid fall in values. The outlook for the coming year is by no means unpromising, and while the present indifferent trade conditions may continue to be experienced for the next few months, yet with easier money in prospect, a gradual return of prosperity may be expected on both sides of the Atlantic.

4—State what is meant by (*a*) A limited partner; (*b*) A limited company; (*c*) A Broker's "sold note"; (*d*) A "joint and several" promissory note; (*e*) A Bonus.

5—Messrs. Arthur Berry & Sons, Manchester, have sold goods to Clunes & Dryden, of Cape Town, to the value of £135 10s. You are required to draw as on 2nd March, 1914, a draft for the amount, making it payable to the United Bank of South Africa, or order. Show the amount of stamp duty payable on the draft.

6—Mr. William Measures, who for fifteen years has been head cutter with Messrs. Brown & Forster, of Manchester, proposes to start in business for himself in High Street, Oldham, as a Tailor and Outfitter. Draw up an advertisement suitable for insertion in the local newspaper, announcing the opening of the business. The advertisement will occupy a space five inches wide and seven inches deep.

7—Make out an Account Sales for 150 barrels of coffee, ex "Malwa" from Jamaica, and sold by Messrs. Brenner & Coates, Liverpool, for and on a/c. of Peter Banks & Co., Port Antonio, Jamaica. Gross weight: 286 cwts. 3 qrs. 11 lbs.; Tare and draft: 34 cwts. 2 qrs. 6 lbs.; Sold at 63s. 6d. per cwt. Charges: Entry and dock dues, £2 1s. 6d.; Marine insurance, £5 3s.; Freight on 286 cwts. 3 qrs. 11 lbs. at 45s. per ton of 20 cwts.; Cartage and porterage, £3 12s. 6d.; Auction expenses, 24s.; Bank commission and interest on charges, £1 6s.; Commission and del credere at 2½%.

SENIOR GRADE. **1**—Mr. A. Patmore, of Salford, purchases from Messrs. Fletcher, Morris & Co., Market Street, Manchester, a travelling trunk, which is to be delivered at his address. On delivery it is found that the lock is broken, and Mr. Patmore writes to ask Messrs. Fletcher, Morris & Co. to send for the trunk and repair the lock. Write a suitable letter of acknowledgment from Fletcher, Morris & Co.

2—Explain the terms:—(*a*) Fidelity guarantee insurance; (*b*) Endowment policy; (*c*) Insurable interest.

3—What do you understand by a "floating policy" of marine insurance?

4—Goods have been delivered by Messrs. Dalton, Potter & Co., of Blackburn, to Mr. James Lewis, of Liverpool, as follows:—Feb. 2nd. £58 10s.; Feb. 12th. £72 10s.; Feb. 18th. £143 15s.; Feb. 26th. £37 9s. You are required to draw on the 2nd March a draft payable one month after date, in settlement of the above transactions. Show the acceptance.

5—State the amount which would be charged for Freight on the following packages, viz.:—20 Bales, each measuring 3′ 2″ × 2′ 4″ × 3′ 6″. 20 Cases, each measuring 3′ 4″ × 2′ 2″ × 1′ 10″, at 27s. 6d. per steamer ton and 10% primage.

6—What is the amount in English currency of the following, viz.:—(*a*) 1,640 francs at 25.25; (*b*) 1,740 marks at 20.51; (*c*) 2,500 rupees at 1s. 4½d.

7—The Lambeth Concrete Co., finding itself short of working capital, decides to issue debentures. Say how this may be done and what form the debentures may take.

8—What is the difference between a deposit and a current account with a bank?

9—What is an "accommodation bill"? For what purpose would such a bill be issued, and what liability does a man incur by accepting such a bill?

10—From what countries do we import the following goods, and at what ports would they usually arrive:—(*a*) Raw Cotton; (*b*) Wool; (*c*) Tea; (*d*) Coffee; (*e*) Timber?

11—What is a "Consular Invoice"? Mention some of the countries for which such invoices are required.

12—Make out a Franco Invoice:—Shippers: B. Burton & Co., Manchester. Buyers: J. George & Co., Amiens. Shipped by S.S. "Swansail" from Hull. 5 c/s (containing 150 pieces) black Jeannettes, 9800 yards at 7d. per yard. Note.—One yard = M.0.9144. £1 = Fcs. 25.22. The measurement in the above invoice must be given in metres, and the price charged in French currency.

13—What are the chief distinctions between stocks and shares?

The **NATIONAL UNION of TEACHERS** (*Hamilton House, Mabledon Place, Euston Road, London, W.C.*), holds an Examination in all the three stages of "Commercial Correspondence and Office Work," also in the "Theory and Practice of Commerce," in April.

1909.

ELEMENTARY. **1**—Write a reply to the following advertisement, and direct an envelope to the firm:—Wanted, a Junior Clerk. Previous experience not necessary.—Apply, with particulars of age, &c., to Williams & Co., Sackville Street, Dublin.

2—Arrange in alphabetical order :—Chelsea Gas Company; Messrs. Allen & Sons; C. H. Dunn, Esq.; Rev. S. Froude; Camden Soap Works; Abbot & Co.; Mrs. Everett; Colonial Export Association; Blackwood, Smith & Co.; Colonel Chartres.

3—Explain the following abbreviations :—p.m., ult., kilos., R.S.V.P., E.C., MSS., enclos., pp., p.p.

4—Direct envelopes to (*a*) A Clergyman, (*b*) The General Manager of a Railway Company, (*c*) The Clerk of a County Council.

5—Draw up a properly headed letter acknowledging receipt of a communication and stating that attention shall be given to the matter.

6—Make out an Invoice for the following and deduct 5% discount :—$\frac{1}{4}$ doz. shirts at 20/-, 5 doz. half-hose at 12s. 6d., 50 yds. lining at 6d. per yd., $\frac{1}{12}$ doz. blouses at 30/-.

7—Make a drawing of, and describe, any two Letter Files.

8—What do you understand by a Registered Newspaper? What will be the postage on a Registered newspaper weighing 8 ozs. from London to Liverpool?

9—What is the advantage of a Telegraphic Address, and where are such addresses to be found?

10—What is (*a*) The lowest amount of money for which Postal Orders are issued? (*b*) The highest amount of money for which Postal Orders are issued (in one order)? (*c*) How would you send £2 16s. 8d. through the post?

11—What are "Pro Forma" Invoices, and for what purposes are they used?

12—Describe the Mimeograph and state how it is used?

13—Write a short essay on *one* of the following topics :—(*a*) The Advantages of the Telephone in business. (*b*) "Punctuality is the soul of business."

INTERMEDIATE. 1—Explain fully the following abbreviations :—O.R., sine die, in extenso, C.R., H.M.C.

2—What method does a firm generally adopt to ascertain the financial position of a fresh customer?

3—What is a "Contract Note"? Give an example of one.

4—Distinguish between a "Current" and a "Deposit" account at a bank.

5—Explain "Cross Referencing" as applied to a Letter Book.

6—What steps should be taken when it is found that a registered packet has not been delivered?

7—Draw up a letter in proper form from the following notes :—To Jas. Hall, Esq., 17 Camden Rd., London. Acknowledging receipt of enquiry re House in Lowton Avenue—3 bedrooms, 2 reception, usual offices. Rent £45. Free till Xmas. Order to visit enclosed.

8—How can you stop payment of a Money Order?

9—Make a rough drawing of a bookcase, with a cupboard below, and six shelves above. (Dimensions must be given.)

10—With regard to Inland Telegrams :—(*a*) What is the charge for cancelling a telegram? (*b*) How are figures restored? (*c*) If a reply is paid for, what is the limit of words allowed? (*d*) What is the charge for repetition of a telegram?

11—Describe fully the method of Card Indexing.

12—Make a Vowel Index for the letter B, and index the following names :—Bennett & Co.; Sir G. Brown; Ball & Son; Black & Co.; Mrs. Bell; H. Blythe; J. Brigham; Col. Burnsly; Brown & Co.; A. Battle, Esq.; S. Burke; J. Bryle.

13—Describe some of the ways in which goods may be sent to places in the United Kingdom.

14—Write an Essay on :—"The advantages of an International Language" *or* "The Probable Effects of Aerial Navigation upon Commerce."

ADVANCED. 1—Explain *fully* the following terms :—"Exchange," "Limited Company," "F.A.S."

2—What do you understand by a "Circular L/C."? Draw up an example of one.

3—Tabulate the chief points to be observed in an advertisement of an article, and write what you consider to be an attractive advertisement of a Fountain pen.

4—Explain "Surrender value" in connection with Life Insurance.

5—What reference books of a *general* character should be kept in an office?

6—"Telegraph Codes may be called the 'shorthand' of telegraphic communication." Explain this.

7—What is meant by *negotiability*?

8—What do you understand by a *Tender* or *Estimate*. Give an example.

9—Show by means of short letters the following Correspondence :—(*a*) Letter from Robertson, Glasgow, to Smith Bros., London, requesting payment of A/c. of £50 long overdue. (*b*) Letter from Smith to Robertson apologising for

delay, and enclosing cheque for £50 drawn on the Commercial Banking Co. (*c*) Letter from the Bank of Scotland to Robertson, Glasgow, stating that the cheque for £50 has been returned to them dishonoured, marked R/D. Dishonoured cheque enclosed. (*d*) Letter from Robertson to Smith stating this fact and asking for explanation. (*e*) Letter from Smith to Robertson regretting the incident, and requesting that cheque be again presented, when it will be duly met.

10—Make a précis of the Correspondence in Question 9.

11—Explain the following statement in connection with Fire Insurance :—"There is no doubt that any material misrepresentation by the insured totally exonerates the insurers from liability."

12—Define fully a *Common Carrier*.

13—Discuss the advantages of employing Commercial Travellers.

14—A small firm has decided to devote £1000 to advertising purposes for a year. Suggest some method of spending this sum to the best advantage.

NATIONAL UNION OF TEACHERS, 1910.

ELEMENTARY. 1—Write a carefully drawn up reply to the following advertisement :—Clerk Wanted, to help generally in a small office—Apply with particulars as to age, etc., to Gregory & Son, Advertising Agents, Liverpool.

2—Direct envelopes to :—(*a*) A Bank, (*b*) A Limited Company, (*c*) An Unmarried Lady.

3—How would you conclude a letter to :—(*a*) A Clergyman, (*b*) The Manager of a firm, (*c*) A Friend.

4—Draw up an Invoice for the following, and show how to receipt it, with stamp, if necessary :—44 yds. serge at 1/11; 29 yds. velvet at 2/9; 30 yds. silk at 4/11; 5½ silk skirts at 110/-, 2½% disc. for cash.

5—What is the meaning of the following, which sometimes appears at the top left hand corner of business letters :—(*a*) Please quote "M 218," (*b*) Encl. 2.

6—Explain the following :—inst., ult., prox., N.B. (on the address of a letter), qual., °/oo., cm., per an., $.

7—What is the postage on :—(*a*) A letter weighing 7 ozs. from London to Glasgow; (*b*) a two-ounce letter to Canada; (*c*) a non-registered newspaper weighing 10 ozs. from Liverpool to London?

8—The following is to be wired from a firm whose telegraphic address is "Gloves, Nottingham," to another firm whose telegraphic address is "Ready, London." Condense it into twelve words, including address. "Our Manager will see you to-day, in reference to estimate received this morning."

9—Draw up a short letter acknowledging receipt of a cheque in payment of an account.

10—Describe how you would obtain four copies of a letter at the same time.

11—What is a "Delivery Book"? Draw up a specimen page.

12—State what you would do if you wished to telegraph £1 to a firm.

13—State the different means you have of sending a small parcel from your town to another.

14—Write a short essay on (*a*) What Profession you would like to adopt, and why, or (*b*) Write a letter to a friend telling him or her about some book you have recently read.

INTERMEDIATE. 1—Explain the following terms used in reference to the price of goods :—In Bond; on rail; free alongside; c.i.f.

2—With regard to Postal Orders, (*a*) what is the limit of time that a P.O. can be kept before cashing? (*b*) If kept longer than that period, what has to be done in order to cash the P.O.? (*c*) What is the advantage of "crossing" a P.O.?

3—In some cases it is not necessary to stamp a receipt for money over £2. Give particulars of three such cases.

4—What is the meaning of "book packet" as used in the P.O. Regulations?

5—A person wishes to receive his letters in advance of the ordinary delivery. What arrangements does the Post Office make for this?

6—From the following notes draw up a properly worded letter :—To Coleman & Sons, Leeds. Complain of inattention to orders. Threaten to withdraw custom.

7—Make a drawing of a series of [illegible] on holes with a sliding door, suitable for placing on the top of an office desk. Give measurements and a few directions for the maker.

8—If a cheque sent by a firm has been torn up or lost, what is the proper action to take?

9—What is a Letter Register? Rule a specimen page and make six entries.

10—What do you understatnd by "Sale by Sample?"

11—Index the following names according to the vowel system :—Day & Sons; Mrs. Denham; Dairy Farming Association; J. Dunn, Esq.; The Derby Ry. Co.; The Dramatic Society; the Direct Supply Co.; Sir W. Donaldson; The Dreadnought Iron Works; S. Dennis, Esq.

12—State the chief conditions governing the postage of samples.

13—How is a record kept of telephone messages received by an office?

14—Write a short Essay on either (*a*) The Effects of the Physical Features of a country on its Trade, or (*b*) Attention to Details.

ADVANCED. 1—Explain fully the following :—"Stoppage in Transitu"; "bonded goods."

2—Give the chief regulations governing the carriage of goods by canal in the United Kingdom.

3—What is the meaning of "Account Sales"? State the chief points which such a document indicates.

4—What is the meaning of the term "Barratry" as used in Marine Insurance?

5—Draw a Circular Letter announcing that Thos. Smith has admitted his son into the business, which will be henceforth known as Thos. Smith & Son.

6—Draw up an attractive and striking advertisement of any business with which you are acquainted.

7—State what you know about "Dock Warrants."

8—What are the conditions which govern the registration of a newspaper or other periodical?

9—Draw up a series of well-written business letters showing the following correspondence :—(Names and addresses need not be included after the first two letters, but dates should be inserted). (*a*) From Jackson & Co., Furnishers, Leicester, to Carter & Sons, York, asking the latter firm if they would act as agents for Jackson's Patent Sliding Bookshelves. (*b*) From Carter to Jackson stating willingness to act as agents if terms are suitable. Terms asked for. (*c*) From Jackson to Carter. Terms 20 per cent. off list prices and carriage paid on all goods. Accounts quarterly. (*d*) From Carter to Jackson, accepting, but must be only agents for ten miles radius. (*e*) From Jackson to Carter, agreeing, proper agreement to follow in due course.

10—Make a précis of the above correspondence.

11—Discuss the term "Warranty."

12—Explain as fully as you can the words "without prejudice," which sometimes appears at the head of a communication.

13—What do you understand by a Trade Mark, and what advantage does a business derive from adopting one?

14—Write an Essay on "The Decline of the Apprentice System in England and its results," or on "The Use of Chambers of Commerce."

NATIONAL UNION OF TEACHERS, 1911.

ELEMENTARY. 1—Draw up a reply to the following advertisement :—Wanted, Junior Clerks, either sex. Good writing essential. Good openings for suitable applicants. Apply, by letter only, Gregory & Sons, Cheapside, London.

2—What do the following signify :—P.P., R.P., ″, brl., dols., e.g., fol., p.c.?

3—Draw diagrams of envelopes, and fill in the following names and addresses, correcting any obvious mistakes :—Mr. John Smith, Esq., 28 High St., Islington; Messers Thompson & Co., Viaduct Bldgs., Newport; Reverent G. Snow, The Vicerage, Charles St., Hull.

4—Make out a properly headed invoice for :—5½ gross of pencils at 9s. per gross, 6 doz. exercise books at 5s. 6d. per doz., 20 English Grammars at 1s. 3d. each, 16 doz. cards at 3½d. per doz., 6 gross rubbers at 4s. 6d. per gross; disc. 5 per cent.

5—What would be the postage on (*a*) a two-ounce letter to France, (*b*) a post-card to Australia, (*c*) a 2-lb. parcel sent by parcel post from London to Edinburgh?

6—Condense the following into a telegram not exceeding twelve words, including address :—"Ready, Leicester. We have not yet received the goods ordered. Will you kindly wire us reason of delay, and state when we may expect them."

7—Describe a *Shannon* File.

8—Arrange in alphabetical order :—W. J. Sawyer, Dr. Boyd, Messrs. Cording & Sons, Mrs. Allen, Messrs. Paterson & Co., Sir E. Cooke, Miss Amy Walker, C. Gough, Esq., Rev. M. Wright, General Lane.

9—A parcel sent by parcel post is lost. It was not registered. Will any compensation be given by the Post Office to cover its loss?

10—You are given a number of letters, some with enclosures, to place in envelopes, address and post. What plan would you adopt to avoid any mistakes?

11—Draw up a short letter to Wilson & Son, Quay Street, Plymouth, stating that your traveller will call upon them on a certain date.

12—What is a Parcels Receipt Book? Rule a specimen page.

13—In packing parcels to be sent by railway or carrier, state to what points you would pay particular attention.

14—Write a short Essay on either (*a*) "Where there's a will, there's a way," or (*b*) The use of the phonograph in business.

INTERMEDIATE 1—What do the following stand for:—Herrn., Sr., Mme., ad val.?

2—Draw up a specimen page of a Petty Cash Book, and make the following entries:—May 1st, postage stamps, 2s. 9d.; parcel to Dublin, 1s. 3d.; wrappers, 7½d. May 3rd, cab fare, 1s.; receipt book, 9d. May 4th, stamps, 10d.; carriage—S. Long, 8d.

3—(*a*) What is the use of the counterfoil attached to a P.O.? (*b*) State the conditions regulating the affixing of stamps to P.O.'s.

4—What are Reminder Slips? Draw up three examples.

5—Define carefully (*a*) a cheque; (*b*) a "stale" cheque; (*c*) a "marked" cheque.

6—What is meant by "confirming" a telegram?

7—Make an invoice for the following:—25 yards as 24, Dark Tweed, at 2s. 7d.; 20 yards as 19, Fine Cheviot, at 2s. 9d.; 53 yards as 52, Blue Serge, at 2s. 1d.; 27 yards as 26, Overcoating, at 4s. 5d., Discount 15%.

8—What are the P.O. regulations governing the registration of letters containing money sent through the post?

9—Index the following names according to the vowel system:—Thomas More, Esq., Miss Mortimer, Dr. Marshall, Sir H. Merry, Rev. S. Muir, the "Motor Gazette," G. Mundy & Sons, The "Model" Laundry, Messrs. Matthais & Co., Mrs. Miles, Col. Melnot, The Miners' Insurance Co.

10—Explain how you would press copy a letter into a Letter Book, index it, and mark it with a cross reference.

11—What is a Debit Note? Draw up a specimen of one.

12—Explain the term *Lien* as applied in the sale of goods.

13—What is a Rotary Multiplier? Describe its use.

14—Write an essay on either (*a*) The Advantage of Canal over Railway Transit, or (*b*) "Example is better than precept."

ADVANCED. 1—Explain as fully as you can the terms *caveat emptor* and *uberrimæ fidei*.

2—State what you know about the "Cash on Delivery" service of the P.O.

3—What is an Advice Note? Draw up a specimen of one.

4—Explain the arbitration clause contained in a fire policy.

5—Draw up a circular letter announcing a change in a firm on account of the retirement of a partner.

6—What are Certificates of Origin?

7—Make a drawing of a pigeon-hole cabinet, with three drawers for papers, to fit in an alcove 3 feet wide.

8—When does a carrier's responsibility for goods begin, and when does it end?

9—From the following notes draw up a series of letters. Addresses need not be inserted after the first two letters:—(*a*) From W. Jones & Co., Ironmongers, Birmingham, to G. Smith, Nottingham, enclosing Price List and soliciting orders; (*b*) From Smith to Jones, acknowledging Price List and ordering $\frac{4}{12}$ doz. Garden Shovels at 18s., $\frac{6}{12}$ doz. Rakes at 15s. 6d., 2 Lawn Mowers at 19s. 11d.; (*c*) From Jones to Smith notifying dispatch of goods, and enclosing invoice (which include); (*d*) From Smith to Jones acknowledging receipt of goods, expressing satisfaction and enclosing cheque (which include); (*e*) From Jones to Smith, enclosing receipt, and requesting further orders.

10—Make a précis of the Correspondence in Question 9

11—What is understood in marine insurance by the term "perils of the sea"?

12—Explain what is meant by *drawback*.

13—How would you make the following corrections on a proof returned to you from the printer:—(*a*) a word to be printed in italics; (*b*) a word to be printed in capitals; (*c*) some words to be omitted; (*d*) full stops to be inserted; (*e*) an extra word to be inserted in the middle of the line; (*f*) too much space between two of the words; (*g*) a fresh paragraph to be inserted in the middle of the proof?

14—Discuss, in the form of an essay, these words of Sir Albert K. Rollit:—"Adaptation and alertness are the commercial watchwords of to-day."

NATIONAL UNION OF TEACHERS, 1912.

ELEMENTARY. 1—Reply to the following advertisement, draw an envelope, and properly address it to the advertiser:—Boy or Girl Clerk Wanted. Good handwriting and quickness at figures essential. References required.—Address, Mr. J. Clark, The Market, Derby.

2—Rewrite the following, correcting any errors:—(*a*) Mister S. Taylor, The Manor House, Maidenhead. (*b*) Mr. W. Warden, Esq., Mount Plesent, Bognor. (*c*) T. Low & Company, Fourth Avenew, Sterling.

3—What do the following abbreviations signify:—do., etc., re., memo., advert., pcls., inv., a/c., G.R.?

4—Condense the following into a telegram of twelve words:—"Cape, Sheffield. No answer has yet been received to our letter. Wire at once saying whether able to supply goods. Steel, Maidstone."

5—Draw up an invoice for:—16 gross of pencils at 1/11 per gross, 5½ doz. rulers at 1/2 per doz., 14 gross pens at 11d. per gross, 70 bottles of gum at 7 6 per doz.; carriage 1/5; discount 2½%.

6—Arrange these names in alphabetical order:—Messrs. Wiltshire & Co., T. S. Smiles, Esq., Miss M. Jay, The Star Newspaper Co., The South Eastern Railway, The Advance Laundry, Mrs. K. Clowes, The Premier Book Club, Thos. Davy & Son.

7—What is the postage on (*a*) A postcard to France, (*b*) A letter weighing ½ oz. to Germany, (*c*) A letter weighing 1¾ oz. to Canada?

8—What is the name of the station which forms the London terminus of:—(*a*) The Great Central Railway, (*b*) The Midland Railway, (*c*) The Great Western Railway, (*d*) The Great Northern Railway?

9—Make a short docket of the following letter:—139, Sackville St., Dublin, 2nd Oct., 1910. Messrs. Ashton & Co., Stationers, Brighton. Dear Sirs,—Replying to your esteemed favour of the 1st inst., we have pleasure in forwarding for your inspection a copy of the Acme Calendar, which we hope will meet with your approval. Trusting to hear from you at your earliest convenience. We are, yours faithfully, Trueman, Thomas & Sons.

10—You have received an important telephone message during the absence of your manager or principal. What would you do?

11—What is a Manifold Book? Explain its use.

12—Draw up a short letter to a customer notifying him that the goods ordered have been dispatched.

13—What is an Apron File? Make a drawing of one, and state its advantages.

14—Write a short essay on either (*a*) The Advantages of the Typewriter; or (*b*) "Nothing Succeeds like Success."

INTERMEDIATE. 1—What is the imprest system of keeping a Petty Cash Book? Rule a specimen page, and make a few entries.

2—Explain the following abbreviations:—quar., bona fide, pkgs., vide, contra.

3—Draw up a letter to a customer who has written complaining to you of the late delivery of goods ordered.

4—Make out an invoice for:—4½ doz. Half-hose @ 16/11, $\frac{5}{12}$ doz. Football Jerseys @ 23/-, 8 doz. ties @ 8/6, $\frac{5}{12}$ doz. Caps at 11/-; discount 2½%.

5—In what circumstances would a banker be justified in refusing payment of a cheque?

6—State the chief regulations governing the Canadian Magazine Post.

7—What is a Returns Book? What should be sent to a buyer after an entry concerning a transaction with him has been made in the Returns Book?

8—What do you understand by the abbreviation O.R. used in the forwarding of goods?

9—What procedure do the postal authorities follow with regard to letters which they are unable to deliver?

10—Explain the combined telegraph and postal service of the Post Office.

11—Make a short précis of the following letter:—12 Victoria Street, London, W.C., 4th May, 1906. G. Emery & Sons, Church Street, Maidstone. Dear Sirs—Your circular came duly to hand, and we feel inclined to open an account with you; especially as we have great reason to be dissatisfied with our present agents in Birmingham. You will, therefore, send us, by way of trial, the undermentioned goods. Let them be carefully packed and forwarded per L. & N. W. Railway:—2 Gross of razors @ 18/- per doz.; 10 doz. knives @ 7/1 per doz. If we are satisfied with this order, you will shortly receive a more considerable one. We are, etc., Evans & Allen.

12—Goods are sometimes sent to a customer "on approval." In what circumstances would he be liable for payment for them?

13—Calculate the following discounts :—12½% on £56 6s. 8d.; 1% on £970 5s.; 3% on £24 19s.

14—Write a short essay on either (*a*) "The Effect of War on Trade," or (*b*) "Penny Wise Pound Foolish."

ADVANCED. 1—Explain fully the terms *indent* and *demurrage*.

2—What is a *shipping note?* Draw up a specimen of one.

3—Draw up a circular letter announcing an extension of business premises.

4—Show how the card system may be applied to indexing the letter book.

5—Make a drawing, with measurements, for the construction of a letter rack.

6—What is a *telegraph code?* Explain its use and give a few examples of code words.

7—Explain "not negotiable" when written across a cheque.

8—What are the chief conditions governing the transmission of goods by canal?

9—Draw up a series of short letters embodying the following transactions, including the documents mentioned, except price list :—(*a*) Letter asking for price list and samples of goods; (*b*) reply enclosing same; (*c*) letter enclosing order from price list; (*d*) letter announcing dispatch of goods and enclosing invoice; (*e*) letter enclosing cheque crossed specially, for goods received.

10—Make a précis of the correspondence in Question 9.

11—What is the *Railway Clearing House?* Explain its use.

12—Explain the difference between *revenue duties* and *protective duties*.

13—What are *mercantile enquiry offices?* What useful purpose do they serve?

14—"There are certain essential conditions, or so-called 'warranties,' which must be complied with in order to render a contract of marine insurance valid." What are these warranties?

NATIONAL UNION OF TEACHERS, 1913.

ELEMENTARY. 1—What are the abbreviations usually employed for :—In the matter of, the current month, namely?

2—Address envelopes to the following, correcting any obvious mistakes :—(*a*) Missis J. Smith, Albart Rd, Belfast. (*b*) Dr. Jackson, M.D., the Surgary, Chiswick. (*c*) The Principle, High School, Bolton.

3—Draw up a suitable reply to the following advertisement :—Junior Clerk Wanted.—Salary according to age and experience. Apply, with full particulars, to A. Myers & Co., Finsbury Square, E.C.

4—Write a short letter to a shipping company asking for particulars of fares to Canada.

5—Make out an invoice for 16½ yds. of flannel @ 10½d. per yd., 2½ doz. hose @ 18/6 per doz., 9 prs. gloves @ 2/11 per pr., 7½ doz. collars @ 4/6 per doz.

6—With regard to Parcels Post what is :—(*a*) The greatest weight allowed. (*b*) The greatest length of parcel allowed. (*c*) The total length and girth allowed?

7—What is meant by "rendering an account" to a customer?

8—What are the disadvantages of the hektograph for duplicating documents?

9—How must registered letters be fastened if not enclosed in an official registereed envelope?

10—Condense the following into a telegraphic message not exceeding twelve words, including the address :—"Easy, Glasgow. Our manager is now away, but we will write you fully in the course of a few days."

11—A "crossed" postal order is sent you. How would you get value for it?

12—What do you understand by "station to station" rates of carriage of goods by railway companies?

13—Write a short essay on either (*a*) "Some Books are to be tasted" or (*b*) Your Favourite Subject of Study.

INTERMEDIATE. 1—What do the following titles signify after a person's name :—C.E., C.A., F.S.A.?

2—What would be the charge for each of the following words and figures by inland telegram :—A. R. Jones, 1692½, M 108?

3—Calculate the following discounts?—1½% on £7 10s., 3% on 15/-, 12% on £1 16s. 8d.

4—Draw up a well-worded letter from these notes, inserting names and addresses :—Letter acknowledged—samples and prices forwarded—many others in stock—prices for small quantities—reduction for larger—every effort to please.

5—State the difference between a bank-note and a cheque.

6—What is the value in English money of (*a*) a franc; (*b*) a mark; (*c*) rupee?

7—Letters to the following have been copied into the Letter Book. Make an index to them :—Mrs. Cook p. 28, J. Smith p. 29, Sir A. Harris p. 20, J. Smith

p 35, Miss Bright p. 30, Sir A. Harris p. 36, Dowling & Co. p. 31, Mrs. Cook p. 40, Miss Bright p. 41, the Eagle Pen Works p. 26, Ash & Co. p. 27, Miss Bright p. 39.

8—What is the meaning of "legal tender"? What is the limit of "legal tender" in (*a*) silver, (*b*) copper?

9—What kinds of commercial documents may be sent at halfpenny packet rate of postage?

10—Draw a cheque from the following particulars and cross it so as to make it as secure as possible.—Drawer—T. Smith, Esq., amount—£10 10s. Payee—Geo. Long & Co.

11—Some firms have, from time to time, large numbers of stamps sent them in payment of small accounts. How are these stamps disposed of?

12—What procedure has to be gone through when sending a parcel, by parcels post, to foreign countries?

13—Rule a form and make an abstract or docket of the following letter:—The Royal Motor Co., Ltd., Sackville Street, Dublin, 22nd May, 1909. To W. G. Smith, Esq., Chandos Street, Belfast. Dear Sir, We take the liberty of informing you that we have acquired the lease of the above premises, and trust it will be of interest for you to know that we have one of the finest garages in Dublin, capable of accommodating from 40 to 50 cars. The Garage being situated in the heart of the City is admirably located for anyone doing business here. We have a full staff of experienced mechanics, and always have in stock all kinds of motor accessories. We are also buyers of second-hand cars, and have a large assortment of cars for hire. Being in a position to meet all your requirements we respectfully solicit your patronage, and assuring you at all times of our prompt and careful attention to your valued commands. We are, Yours faithfully, for The Royal Motor Co., Ltd., E. Sanders, Manager.

14—Write a short essay on either (*a*) "A Little Knowledge is a Dangerous Thing," or (*b*) The Uses of the Newspaper in Commerce.

ADVANCED. 1—Explain fully "a guarantee," "a set-off."

2—Draw up a circular letter to customers notifying a decrease in the prices of your goods.

3—What is meant by "discounting a bill"?

4—State the advantages of a firm's possessing a private code for telegraphic purposes.

5—Explain fully the term "overdraft," as applied in banking.

6—State the advantages and disadvantages of the "loose leaf" ledger.

7—Describe a simple method of keeping, by means of a card index, a record of trade circulars or magazines sent to you.

8—Make a rough drawing of a book rack, to stand upon a desk and large enough to hold a ledger, cash book and letter book.

9—Show by a series of short letters the following correspondence. Insert names and addresses:—(*a*) A to B, requesting terms for advertising in B's paper; (*b*) B to A, giving prices; (*c*) A to B, taking space and enclosing short advertisement and cheque; (*d*) B to A, acknowledging and promising proof.

10—Make an index of the above letters and write a précis of the correspondence.

11—Explain "salvage" as used in marine insurance.

12—What should be the essential features of a good advertisement? Draw up an advertisement to illustrate your answer.

13—What is a dictaphone? What are the advantages of its use in an office?

14—Discuss briefly the question of the employment of women in commercial houses.

NATIONAL UNION OF TEACHERS, 1914.

ELEMENTARY. 1—Mr. S. Thorpe, Station Road, Brighton, has offered you the post of junior clerk in his business. Write a suitable reply accepting the post.

2—What are the usual abbreviations for:—cheque, carriage paid, advertisement, pennyweight, care of?

3—Draw up a properly headed invoice for:—19½ yds. serge @ 1/11; 16 yds. velvet @ 4/3; 14 yds. silk lining @ 2/1; 13 doz. buttons @ 5½d. doz.; 18 yds. braid trimming @ 1½d. yd.

4—Write out in full the names of the following counties, and arrange them in alphabetical order:—Ches., Hants., Herts., Westd., Glos., Den., Mer., Arg., Ferm., Tip., Ang., Carn.

5—Draw up a short letter to Messrs. Cole & Sons, Kensington, London, stating you are forwarding p.o. for £1 in payment of an account.

6—Show the docket which Messrs. Cole & Sons would probably make on the back of the letter named in Question 5.

7—Draw up a form of receipt which Messrs. Cole & Sons might send you in reply to letter referred to in Question 5.

8—Condense the following into as short a telegraphic message as possible, and say how much the telegram will cost :—" To Force, Derby.—Our traveller will call upon you to-day with respect to the matter mentioned in your letter of yesterday's date.—From Wonder, Birmingham."

9—A parcel has to be sent to a neighbouring town, but it is too heavy to go by Parcels Post. State what you would do.

10—What would be the postage on (*a*) a 4 oz. letter to Germany, (*b*) an ounce letter to Canada, (*c*) a post card to South Africa?

11—Re-write the following passage, correcting all obvious mistakes :—I wos not abel to git threw the werk has soon as i thort for i found meny more things to do than you told me abowt i will want much more materiel than i have got hear I shell kum to see yow on saterday and tell you abowt the job i am havin sum trubble with the men who complane abowt there wages but it will be all-right i think enyway i shall see you on saterday wen you shall tell me wot to do.

12—A traveller intends to stay one day in a certain town. He has not arranged for any address, and yet wishes to receive a letter on his arrival at the town. How will this letter have to be addressed, and how will the traveller obtain it?

13—Explain the method of obtaining duplicate copies of typewritten matter.

14—What kind of goods are generally sent by canal, and what are the advantages and disadvantages of this means of transport?

15—Write a short essay on either (*a*) " Keep your shop and your shop will keep you," or (*b*) The Town in which I live.

INTERMEDIATE. 1—Explain briefly the following terms :—affidavit, depreciation, days of grace.

2—" For Sale.—Well-built cottage close to the sea. Apply Watson, Maidstone, Kent."—Reply to this advertisement, asking for full particulars as to locality, price, &c.

3—Show Watson's docket of your letter in Question 2.

4—Write a short letter confirming the following telegram :—" Johnson Bros., Derby; to Sands & Sons, Oldham. Offer accepted. 120 tons Brights at 12/- ton. Delivery free."

5—Write out a credit note for 20 cases @ 1/6 returned to Messrs. Holden & Co., Gloucester, by Toms & Son, Blackburn.

6—Find the equivalent in English money of :—(*a*) 750 marks (20.40m=£1); (*b*) 2.240 francs (25.30f.=£1).

7—What would be the cost of (*a*) a twelve-word telegram to France, (*b*) a Colonial p.o. for £1, (*c*) a 4 oz. letter from London to the United States?

8—A customer rings you up on the telephone and asks to speak to the manager. You inform the customer that the manager is out. He states he will call at your office the next day at 11 a.m. Show the record you will keep of this telephone message.

9—If for any reason a parcel cannot be delivered by the P.O., what action do the authorities take?

10—Explain the use of a filing cabinet.

11—Define a negotiable instrument.

12—Make a vowel index of the following names :—Mrs. West, John Watson, Esq., Messrs. Willing & Sons, Woolf Bros., Miss Winder, Sir Jas. Wooley, Dr. Welland, The Westmeath Laundry, The Wrung Iron Works, The Whitby Gas Co., Lady Watts, Miss S. Whelan, The Wilson Shipping Co.

13—Draw a cheque for £10 payable to Thomas Wright. Cross it, and then alter it so that Thomas Wright may receive its value in cash.

14—Write a short essay on " The Uses of Trade Journals."

ADVANCED. 1—Explain the difference between a public company and a private company.

2—Explain the meaning of the following terms used in connection with bills of exchange :—(*a*) retired; (*b*) arrived at maturity; (*c*) to take up a bill; (*d*) to accept a bill.

3—Draw up a circular letter announcing that your firm will be closed on a certain date for stock-taking.

4—Make out an account sales for 8,000 boxes of figs sold on account of Messrs. Medjedi & Co., Smyrna, by Charles & Co., London.

5—Calculate the freight on : (*a*) 4 cases, each 2′ 6″ × 3′ 4″ × 1′ 9″, @ 30/- and 10% per steamer ton; (*b*) 3 cases, each 4′ 9″ × 3′ 6″ × 1′ 6″, @ 25/- and 10% per steamer ton.

6—In correcting a proof for the printer, how would you show (*a*) a word to be written in capitals; (*b*) a space to be closed up; (*c*) a full stop to be inserted; (*d*) a word misspelt; (*e*) a word to be written in italics?

7—This is a "catch-phrase" headline in advertising:—"You don't need X-rays to find bargains here." Make up six similar attractive headlines.

8—Make a drawing, with measurements, of a box, suitable for a small card index.

9—A. receives a damaged parcel by carrier. A. writes to the carrier claiming an amount for damage. The carrier replies refusing to accept liability. A. replies hinting at legal proceedings. The carrier replies offering smaller amount in settlement which A. accepts. Draw up short letters embodying the above.

10—Make a short précis of the following:—Mr. Johnson, the company's consulting engineer, in supplementing what he had said in his report as to the Kirkland Lake property, stated that there were many factors to be taken into consideration, and one of the most important was as to accessibility and means of transport, which would enable them to work conveniently and cheaply. They were served by the Government railway and an excellent waggon road; they had telegraphic communication; the climatic conditions were favourable; there was no fear of their work being interfered with by snow, and they had a fairly normal temperature. The most fully developed mine was that at Tough Oakes. That mine had passed the stage of mere prospecting, and they now had a proved mine with very valuable ore reserves, and only waiting for suitable milling plant to be brought to the producing stage, which would put it at once on a dividend paying basis. By means of a map Mr. Johnson explained the formation and the nature and position of the various veins. No. 2 vein was the best they had yet located, and it showed values of 3½ ozs. He believed the Tough Oakes was in a position to make £150,000 profit per annum, and that was a conservative estimate.

11—State briefly the ways in which Chambers of Commerce may assist commercial men.

12—Distinguish between average and particular average as used in marine insurance.

13—"Insurance and assurance are almost synonymous terms." Explain the exact difference between the two.

14—Write an essay on "The Progress of Commercial Education in England."

NATIONAL UNION OF TEACHERS, 1912.

Theory & Practice of Commerce.

ELEMENTARY. 1—Explain the construction of a *cypher telegram*, and the advantages gained by its use. What limit is placed on the length of code words?

2—What is a *railway letter*? What special regulations govern its use?

3—Give as complete an account as you can of the Great Central Railway System.

4—Name four important ports of the Far East; and state by what routes they would be reached by (*a*) an ordinary steamer, (*b*) a sailing vessel, (*c*) a collier.

5—What do you know of the Panama Canal? What do you anticipate will be some of the principal results of its use?

6—Explain the use of a *transfer case*.

7—Describe a *cabinet file*, and explain for what purpose it is used.

8—Explain the construction and use of a *Roneo duplicator*.

9—Describe fully a *credit note*, and state in what books the particulars it contains are recorded.

10—Give the meaning of *six* of the following:—N.W.P., N.S.W., N.B., B.C., G.M.Q., F.A.Q., %, ult., Stg., Ltd.

11—Write out in full a cheque for £8 5s., making every possible provision against its misuse.

12—What do you know of the work done at the Railway Clearing House?

13—Name two important ports of transhipment, and explain the work that is carried on there.

14—Enumerate the uses of docks, and describe the work done in them.

15—What is an *export packer*? Show why it pays to employ him.

16—Write out the scale of stamp duties on bills of exchange. Explain *days of grace*, and state where they are recognised. If a bill of exchange fell due on a Bank Holiday in London, when would it be paid?

17—Of what use is an endorsement on a bill of exchange? In what way does a *blank* differ from a *special* endorsement?

18—Explain the law of *legal tender*, especially with reference to bank notes.

INTERMEDIATE. 1—Describe the method by which our *import trade* is financed, and its reaction on the financing of our export trade.

2—State what you conceive to be the chief benefits of commerce to the community, and show how (*a*) free trade and (*b*) protection affect them.

3—Name the three chief customers of Great Britain in order of importance. State what products of ours they take, and how we are paid for them.

4—Tea, tobacco, and spirits are often sold "in bond." Explain what this means, and how, and why it is done.

5—Why are British ships found on all the "seven seas" carrying goods for other nations? Do they enjoy exceptional facilities? If so, state what these are, and why other nations do not enjoy the same.

6—What do you understand by *salvage?* What are the rules governing salvage awards?

7—Describe the functions of an *agent,* and the extent of his authority in acting for his principal.

8—In what respects does the position of a *factor* differ from that of a *broker*?

9—What beneficial effects on a market do you think speculative dealings are likely to produce?

10—Describe three methods of transferring Stock Exchange securities and indicate in each case to what class of securities the method applies.

11—Discuss the obligation of a stockbroker to issue *contract notes,* and name the exceptions, if any, to the rule. What are the stamp duties on contract notes and transfers of securities, (*a*) transferable by delivery, (*b*) not transferable by delivery?

12—Who is liable in the event of securities being obtained by means of a forged transfer? To what extent is he liable?

13—Define *Bill of Exchange* and *Cheque.* Draw a B/E. for £50, at one month, dated Jan. 31st, and indicate the actual date of payment.

14—What are respective responsibilities of the drawer, acceptor, and endorser of a Bill of Exchange? What is a qualified acceptance, and how may it be treated?

15—What is a "holder in due course"? Discuss his position.

16—Explain in detail the practice with regard to *consular invoices,* and state their object.

17—Describe fully the functions of the Harbour Department of the Board of Trade.

18—Discuss the difference between the debenture stock and the guaranteed stock of a joint stock company, e.g., a railway company, and say which stock would carry the higher rate of interest, and why.

ADVANCED. 1—"Tenders at £98 2s. 8d. will receive about 82%, above in full." What does this mean?

2—Explain what is meant by *short term notes.* In what circumstances, and by whom, are such notes issued? How do they occasionally affect our money market?

3—What are (*a*) circular notes, (*b*) letters of credit, (*c*) documentary letters of credit?

4—How is the English National Debt managed? What remuneration is paid for its management?

5—What does the English *floating debt* include? By what means is it met?

6—What is a *sinking fund*? Give particulars of the English sinking funds now in operation.

7—Discuss the prevailing general rise in prices. Show who is benefited and who is injured by it. In what countries is it most noticeable? How do you account for it?

8—What do you understand by the policy of the "open door." By what countries is it adopted? What alternative policies are in use?

9—Explain the provisions made by the Committee of Lloyds for securing the financial stability of the underwriting members of the "Room." What is the extent of the liability of an underwriter?

10—Give some account of the Assurance Companies Act of 1909.

11—What stamps are required on (*a*) fire, (*b*) accident, (*c*) life, and (*d*) marine insurance policies?

12—Explain the meaning of *contract of indemnity,* and say which insurance contracts come under that description.

13—How are foreign bonds quoted on the London Stock Exchange? How does the method of quotation adopted cause an apparent discrepancy between the London and the "home" prices of such securities?

14—What are *firm prices,* and how do they differ from *flat prices* on the Stock Exchange?

15—A recent quotation gave :—British consols 2½%, 78; French Rentes 3%, 94½; German 3%, 81½. Compare their merits as investments, and state what conclusions you draw from the differences in the yields.

16—Explain in full detail the functions of the Commercial and Statistical Department of the Board of Trade.

17—Describe the constitution of a Limited Partnership under the Act of 1907.

18—What is a private company, and how is it constituted?

NATIONAL UNION OF TEACHERS, 1914.

Theory & Practice of Commerce.

ELEMENTARY. 1—How does the Post Office avoid the necessity for our stamping large quantities of circulars sent by post? What are the regulations relating to typewritten circulars?

2—Write what you know about the multiple address telegram regulations.

3—In what ways do the postal and railway charges for parcels differ? When, in general, is it cheaper to use the post and when the railway? How may the railway company be paid?

4—Into how many classes do the railway companies group the goods they carry? What do O.R. and C.R. mean?

5—What precautions would you take, on receipt of goods by rail, in signing a delivery sheet?

6—Explain carefully :—advice note, shipping note, freight note, shipping bill, bill of lading.

7—Describe in detail the route by which you would send goods from Sheffield to Valparaiso.

8—Name and describe the essential parts of a well-drafted business letter.

9—Describe in detail the vowel system of indexing. When is it most advantageous in use?

10—Explain the use of (*a*) an Address Book, saying in what form it is best kept; (*b*) a Postage Book, drawing up the form you would use.

11—Draft a debit note and a credit note, and explain in what circumstances they are used.

12—What are (*a*) a customs declaration, (*b*) a despatch note?

13—What do you understand by tret? How is it estimated?

14—Discriminate between quotations, price lists and prices current.

15—Explain the advantages of a banking account, or state what you understand by credit in commerce.

16—What are the respective meanings of debenture, drawback, contraband, certificate of origin?

17—Draw up a paying-in-slip and explain its use.

18—Explain carefully the meaning and effect of the words "not negotiable."

INTERMEDIATE. 1—British imports in 1913 amounted to £769 millions, while exports were £514 millions. In face of this do you think it true that imports pay for exports? If so, explain the discrepancy in the figures. Give reasons for your answer.

2—Into what three great classes are our imports divisible? What, roughly, is the value of each class?

3—Explain landing a/c., certificate of survey, dock warrant. State the rule for stamping a dock warrant, and explain to what extent it is a "negotiable instrument."

4—What is a consular invoice? When is it required, and why?

5—Define a partnership, and give a list of the various kinds of partners.

6—Explain the difference between limited and unlimited liability of joint stock companies. Describe as many ways as you know in which the liability of a company may be limited.

7—What is meant by (*a*) letters of application, of allotment, of regret; (*b*) prospectus, statement in lieu of prospectus; (*c*) memorandum of association, articles of association?

8—Describe the different methods by which transfers of consols may be effected.

9—What are treasury bills? What do you know about their origin, use, and mode of issue?

10—The London Bankers' Clearing House during 1913 effected clearances to the amount of £16,000,000,000. What does this mean?

11—What is a ship's report? Give the rules relating to its delivery.

12—Name and describe the five statutory books which every joint stock company must keep.

13—Describe the various kinds of capital and of shares issued by joint stock companies.

14—What is meant by rebate on bills of exchange? When is it allowed? What kind of bill is usually retired under rebate?

15—Explain arbitration of exchange and re-exchange.

16—Describe the principal departments and activities of the Board of Trade.

17—Give a detailed account of the work of a bill broker.

18—What is a maritime lien? When is it created? By whom can it be enforced?

ADVANCED. 1—Recently the prices of the following Government securities were :—British Consols, 2½%, 71; French, 3%, 75; German, 3%, 84; U.S.A. 4%, 110. Find the yield to investors in each case, and state what deductions you are able to draw from these prices.

2—Explain the functions, and trace the rise and growth, of accepting houses in the London money market.

3—What changes have been made recently in American banking and currency law? How do you suppose they will affect the European money markets?

4—Show the importance of the Bank of England discount rate to the money market, and the effect upon trade of changes in that rate.

5—Give some examples of bills of exchange that are "not negotiable." Are bills of lading and dock warrants negotiable?

6—Describe the duties and responsibilities of an average adjuster.

7—Explain the effect of the average clause in a fire insurance policy.

8—Do speculative transactions on the Stock Exchange come under the Gaming Acts? Give reasons for your statements.

9—What classes of debt are not provable in bankruptcy? In what order are the claims in a bankrupt's estate met?

10—Explain some of the ways in which the capital of a joint stock company may be altered. Is there any difference between diminution of capital and reduction of capital?

11—What results likely to affect British trade do you expect to follow the recent alteration of the U.S. tariff?

12—It is said by some that a protective system "tends to the increase of the aggregate wealth of a nation"; others say that it "brings about a diminution of the national wealth, accompanied by changes in its distribution advantageous to some classes, but detrimental to others." Which view do you consider to be correct? Give your reasons very briefly.

13—Explain why "bull" speculators "carry over" and pay commission contango and differences, instead of simply selling out and buying back for the new a/c.

14—What do you know about the introduction to the Stock Exchange of securities that have not satisfied the conditions for admission to the Official List?

15—In what circumstances may a bankrupt be arrested and his books and papers seized?

16—Recent issues of loans in London have left 80% or 90% in the hands of the underwriters. What does this mean? What becomes of the amounts thus left?

17—What is the extent of the liability of a shipowner, both himself and his agents being free from fault, in respect of (*a*) damage to goods, (*b*) loss of life committed to his care?

18—A Ship's captain is unable to obtain payment of freight for goods carried to a foreign port. What course of procedure will he adopt?

The MIDLAND COUNTIES UNION of EDUCATIONAL INSTITUTIONS (*Secretary: W. F. Harris, Arden Road, Dorridge, Birmingham*), holds an Exam. in all the three stages of "Commercial Correspondence and Business Methods," in March or April each year. Three prizes are awarded. Syllabus 4d., Report including Exam. Papers 8d., post free.

1909.

ELEMENTARY. 1—Make out an invoice for the following :—On 11th January, Keen & Son, of High Street, Burslem, sold to Peter Simple, of Millgate, Macclesfield, the following goods :—218 Dress lengths at 12s. 6d.; 64 Dress lengths at 11s. 3d.; Deduct discount 3¾%.

2—On the 31st of January a cheque on the County Bank was remitted in payment of the above; make out the form of cheque that would probably be remitted.

3—There is a vacancy in the County Bank, Leicester, for a Junior Clerk; write to the Manager applying for the position, stating your qualification, etc.

4—Address an envelope to A. W. Brooks, junior, Bow Chambers, 37 Moorgate Street, London, E.C.

5—Write a letter to a friend explaining the use of a *Call Book* in a business office, and give him two or three specimen entries to show the information given.

6—How would you cross a cheque, and state the object of doing so?

7—Give the meanings of five of the following abbreviations :—C.O.D., prox., 4to, MSS., %, N.B.

8—State the meanings of four of the following commercial terms :—Ad Valorem; Carriage forward; Trade Discount; Limited Company; Bank Overdraft; Endorsing a cheque.

9—State the cost of letters weighing respectively 1 oz. and 2 oz. to Paris, Berlin, New York, Capetown.

10—How would you register a letter, and state how the charge varies with the amount insured.

11—Describe two good methods of filing inward correspondence.

12—Print in block letters, about ½ in. high, the word *Memoranda*.

INTERMEDIATE. 1—Make out a statement rendered by Robinson & Sons, of Stoke, on March 31st, for the following transactions in January with Charles Senior, of Kidderminster; goods delivered on the 8th, £64 9s., on the 12th, £17 15s. 6d., 21st, £6 15s. 10d.; goods returned by Senior on the 10th, £9 17s. 6d., cash received on a/c. on 31st, £50. Allow 3% discount on the net goods supplied.

2—Write a letter as from Charles Senior to Robinson & Sons (see question 1) stating that a credit of 37s. 6d. on the goods supplied on the 10th of Jan. has been omitted from the statement, and also requesting that in view of the £50 payment on a/c. a discount of 3½% should be allowed.

3—Write a reply to the above expressing regret that the credit has been overlooked, and stating that the extra discount will be allowed.

4—In forwarding a cheque by post what means would you suggest to ensure its safe remittance? To illustrate, make out a cheque drawn by yourself on the County Bank payable to Jack Horner.

5—Describe the Roneo or other method of duplicating 200 copies of a circular.

6—Mention the towns, stating their chief industries, you pass through on the L. & N.W. Railway line from London to Carlisle.

7—Give the meanings of five of the following :—e.g., i.e., ex. div., c.i.f., pro forma, H.M.C., F.O.R.

8—How would you vouch payment of money to a bank?

9—Explain the meanings of four of the following terms :—"Coupon," "Payee's A/c.," "Stale Cheque," "Bank Commission," "Composition," "Dating Forward."

ADVANCED. 1—Draft a circular letter to submit to your employers, calling the attention of the firm's customers to some novelties that are on view, and also to a special discount being allowed during the month of May.

2—Give an example of an Account Current.

3—On April 1st, Videmont & Co., of Paris, drew upon John Bull, of Bristol, a draft at 30 days for 3000 francs. Make out the form of same with acceptance.

4—Explain the meanings of four of the following terms :—Rest, Secret Reserve, Limited Partnership, Forfeited Shares, Letter of Credit, Consols.

5—Give examples of four different methods of crossing cheques, and explain the meaning of each.

6—Name and distinguish between the various classes of Debentures.

7—Explain the meanings of three of the following insurance terms :—Floating Policy, Insurable Interest, General Average, Particular Average.

8—Write a letter to a friend explaining to him the meaning of a Private Limited Company as per the 1907 Joint Stock Companies Act.

9—Draft an advertisement such as you would insert in a newspaper in seeking a position as Assistant Secretary or as principal Book-keeper.

MIDLAND COUNTIES UNION, 1910.

ELEMENTARY. 1—Reply to the following advertisement in the "Birmingham Daily Post" :—"Junior Clerk wanted, well educated and intelligent, expert typist and shorthand writer; must have previous experience. Address, stating age, salary, &c., O143, at printers."

2—Make out an invoice for the following :—Bought from Waring & Gillow, Ltd., Regent Street, London, on 1st March, 1910, by David Copperfield; 14 yds. Axminster Carpet at 4/6; 28 yds. Brussels Carpet at 5/-; 18 yds. Border at 3/6; 3 Rugs at 15/-. Discount 2½%.

3—On 14th March, the above account was paid by cheque on the London & County Bank. Make out receipt for same showing counterfoil.

4—Make out the cheque for the above, showing how it may be safely sent by post, and giving explanations.

5—Send a telegram as from Percival & Co., Coventry, to Johnson & Midwood, Queen Street, Nottingham (Telegraphic Address, "Johns") informing them that owing to delay from manufacturers the remainder of order cannot be delivered until Friday of next week, the 25th inst. State the cost of the telegram.

6—Write a letter to a friend explaining how to press-copy a typewritten letter.

7—What is meant by 'letter reference'? Give two examples.

8—Give a ruling for a 'Letter Received Index,' and make 3 entries in it.

9—Address the envelope provided to Richard Whittington & Sons, 64 London Wall, London, E.C.

10—What is meant by 'Express Delivery'? State the instructions to be followed.

11—Explain the meanings of five of the following:—Div., Bonded Goods, E. & O. E., viz., on appro., Post Dated, ult.

12—Print in block letters about ½ inch high, the word Invoice.

INTERMEDIATE. **1**—The following is a copy of Walter Cheetham's account in the Ledger of Butterworth & Co., Northampton:—

Dr.		WALTER CHEETHAM, Stoke.						Cr.
Feb. 2	To Goods	£9	10	6	Feb. 8	By Returns	£3	10 -
,, 9	,,	14	18	-	,, 18	,, Allowances	1	1 -
,, 12	,,	3	5	3				
,, 17	,,	26	17	9				

Make out the Statement rendered 28th February, allowing 2½% discount.

2—Write a letter from Walter Cheetham to Butterworth & Co., pointing out that the terms arranged with their traveller were 2½% discount, and also stating that owing to the difficulty of collecting accounts it would be more convenient to forward a cheque for £20 and a bill at three months for the balance.

3—Reply to the above stating that under the circumstances settlement will be arranged as suggested, and pointing out that the discount of 2½% can be allowed on the cash payment only; also apologising for the error in the allowance of discount.

4—State the methods you would adopt to supply 6, 50, and 200 copies of a circular letter.

5—State what you know of the Shannon, or other good system of filing inward correspondence.

6—Distinguish between Price Lists and Prices Current.

7—Name the chief industries of six of the following towns:—Leicester, Norwich, Nottingham, Derby, Coventry, Walsall, and Birmingham.

8—Explain briefly the meaning of six of the following terms and abbreviations:—Indent, Tariff, cum. div., L.C., Telegraphic Transfer, N.E., o/oo, Set off.

9—Distinguish between General, Special, and Not Negotiable endorsements.

10—Make a Précis of the following:—Commercial Status Reports. In view of the recent case in which damages were awarded to a trading concern in respect of an erroneous credit report there is a fairly general expectation that one of the earliest results will be an increase in the charges made by the mercantile agencies, the increase to be utilised for the establishment of a reserve fund or insurance against such liability. Another and even more probable result will be the limitation of the information supplied to the bare dry facts registered regarding the trader enquired about. Mercantile agencies will no doubt be more chary about venturing upon too candid opinions of the status of the "inquiree," in view of the decision that it is not now necessary to prove malice on the part of the reporters in order to render them liable in damages for defamation. There is thus a distinct danger that the information supplied will be of comparatively little value, and prospective traders will have to fall back more and more upon their own organisation for obtaining adequate information. The trading community of this country has not reached the stage at which, as in the United States, an applicant for credit has to make a full and frank disclosure of his assets, liabilities and antecedents. On the other hand, traders have been accustomed for long to exchange information about customers, while bankers' reports are also frequently resorted to, and although particulars thus obtained are not always above suspicion, in view of the obvious self-interest of the reporters, it is more than probable that the recent trend of legal decisions will encourage the further development of these customs.

ADVANCED. 1—Write an answer to the following advertisement :—Assistant Secretary Wanted by large Company in the Midlands; only those with full knowledge of Secretarial work and duties need apply; previous experience to be stated. Address, Chairman, c/o. Black & White, Chartered Accountants, Bull Street, Birmingham.

2—Draft a front page advertisement from the following :—Watts & Co., Drapers, of Lord Street, Southport. Special sale for job goods from March 1st to 5th, the lines offered will be exceedingly attractive and exceptionally cheap, and will invite a special visit to the showrooms.

3—Explain the meaning of three of the following insurance terms :—Endowment Policy, Insurable Interest, Survival Policy, Average Clause in a Fire Insurance Policy.

4—Prepare Account Sales from the following particulars :—Sale of 70 machines, part of a consignment of 400 consigned by the Machine Co., Ltd., to Kangaroo & Co., Sydney. 1910, Jan. 31, 20 No. 1 Machines at 20/-; 20 No. 2 Machines at 25/-; 20 No. 3 Machines at 30/-; 10 No. 4 Machines at 35/-. Less Trade Discount 25%, Cash Discount £5, Insurance 12/-, Import Duty £30, Stamps 5/-. Bill at 60 days enclosed.

5—What is meant by a Documentary Bill? Name the documents that are attached to it.

6—Mr. Charles Wright, carrying on business as a Glover and Hosier at Market Street, Leicester, is taking his son into partnership from the 2nd. May, 1910. Draft a circular letter to the customers informing them of this fact, and asking for a continuance of their business.

7—Name the Statutory Books required to be kept by a Joint Stock Company, and briefly explain the use of each.

8—Draft a short Cash Statement to place before Directors, showing the amount required for payment of accounts and cash balance reconciled with Bank Pass Book.

9—In a letter to a friend distinguish between Bank Rate and the market rate of discount, and explain how they are related to each other.

10—Distinguish between blank, restrictive and special endorsement of Bills of Exchange.

MIDLAND COUNTIES UNION, 1911.

ELEMENTARY. 1—Write a letter to the Phœnix Hardware Co., Corporation Street, Birmingham, from Wm. Macfarlane, Plumber, etc., Market Street, Luton, asking them to send a copy of their Price List of Gas Fittings.

2—Write a reply from the Phœnix Hardware Co., thanking Mr. Macfarlane for his enquiry, and stating that an illustrated Price List has been sent by parcels post. From the prices shown, a trade discount of 55% is allowed, unless otherwise stated, with an additional 2½% for cash in one month from the date of the invoice.

3—The Price List referred to in the previous question weighs 18½ ounces. State the cost of postage (*a*) if sent by letter post, and (*b*) if sent by parcels post.

4—Address the envelope provided to the Phœnix Hardware Company, Corporation Street, Birmingham.

5—Make out in proper form an order given by Wm. Macfarlane to the Phœnix Hardware Company for the following Gas Fittings, viz. :—1 Brass Hall Pendant, No. 6283; 6 Assorted brackets, No. 736, $\frac{3}{8}''$ × 7″; 3 Brass brackets, No. 382, 7/16th × 12½″; ¼ doz. Cluster burners, No. 836; 1 Gas pressure gauge, No. 8226.

6—The goods mentioned in the previous question are packed in a wood case ready for forwarding by rail. What document is it necessary to fill in when the case is handed to the Railway Company, and what are the particulars required?

7—Make out in proper form an invoice of the hardware ordered in Question 5. The particulars are :—1 Brass Hall Pendant, No. 6283, 36/-; 6 Assorted brackets, No. 736, $\frac{3}{8}''$ × 7″, 17/6 per doz.; 3 Brass brackets, No. 382, 7/16ths × 12½″, 13/- each; ¼ doz. Cluster burners, No. 836, 25/- doz.; 1 Gas pressure gauge, No. 8226, 25/6 net. The case is charged 2/6. Deduct the trade discount, noting that the last item is net.

8—Write out a telegram from W. Macfarlane to the Phœnix Hardware Co. (telegraphic address "Ironclad," Birmingham), stating that the pressure gauge has not been enclosed in the package, and asking that it should be sent by passenger train immediately. State the cost of the telegram.

9—Mr. Macfarlane pays the amount referred to in Question 7 by a Cheque, drawn on the Luton and County Bank, Luton. Draw the cheque.

10—Give the meaning of five of the following :—Ante dated; E.E.; Prox.; a/c.; °/oo; Pro forma; c/o; F.o.r.

11—What is a "Postal Order," and what is the smallest and largest amounts for which Postal Orders are issued?

12—Print in block letters about half an inch high the words "Staff Reports."

INTERMEDIATE. 1—Write a letter from Dow and Dunlop, The Crescent, Redditch, to the Manager, Snowflake Laundry, Camp Road, Wolverhampton, informing him that samples of soap and soap powder and being sent by parcels post, and that a Price List is enclosed. Express the hope that he will give the samples a fair trial and that business will result.

2—Write a letter from the Manager of the Snowflake Laundry to Dow & Dunlop, asking whether, if an order is placed for not less than 10 cwts. of Primrose soap, to be delivered as required within three months from the date of the order, they will reduce the price from 26/- to 25/- per cwt.

3—Write a reply to the letter referred to in the previous question, stating that Messrs. Dow & Dunlop are prepared to accede to the request, and that provided payment is made in each case within 14 days of delivery, a discount of 2½% will be allowed.

4—A delivery of 6 cwts. of Primrose soap is made by Messrs. Dow & Dunlop, to the Snowflake Laundry on the 15th March. After deducting 2½% discount, make out a cheque in settlement, dated 25th March, and drawn on the Wolverhampton & District Banking Co. Cross the cheque.

5—What is the effect of a (*a*) Ante-dating, (*b*) Post-dating a cheque? What should be done if a cheque is undated?

6—Name six towns on the Midland Railway between London and Manchester, and state their chief industries.

7—What is the difference between a "deposit" and a "current" a/c. at a bank?

8—Explain briefly the meanings of six of the following terms:—Dishonoured Cheque; ex-dividend; Account Current; Firm Offer; Cross Reference; Press Copy; Debit Note; Consignment.

9—How and by whom may the payment of a cheque be stopped?

10—Make a précis of the following:—Steamship Circular.—"We are glad to report that the improvement in the prospects of steam shipping which we anticipated in our circular of July 1 still continues. It is true there have been a few reactions, but they are only of a temporary nature. The outlook generally is, however, much brighter, and voyages can now be mapped out that will leave a fair return on the capital invested, whereas for some time past with most owners such has been almost impossible. This improvement, in our opinion, is the commencement of what we may expect during the next few years, if shipowners will not swamp the market with too much new tonnage; and when trade in the United States becomes more pronounced, of which there are signs already, we shall see better times than we have had for years past, or may again expect until the opening of the Panama Canal. During the last half year much has happened. Labour troubles, which so retarded improvement at home and abroad, seem to be in a fair way to be settled. The stoppage of work in about one hundred federated shipbuilding yards, which lasted for more than three months, is happily ended, and the agreement just come to between masters and men is now likely to be of a permanent character, and thus prevent much dislocation of work in the future. The stoppage delayed the completion of a great many large steamers belonging to steamship lines, and substitutes had to be found.

ADVANCED. 1—In what respects does a "Preference" share in a Limited Liability Company differ from an "Ordinary" share?

2—Messrs. Bell & Browne, of Northampton, forward by the steamer "Egremont," from Liverpool, one case of goods, consigned to Messrs. Vernacke & Baptista, Shanghai. The value of the goods is £152 6s. You are required to draw a draft at 30 d/s. in settlement of the transaction, the documents attached to be surrendered on payment. Show the acceptance.

3—Say whether the following endorsements are in order, and, if not, give what you deem to be the correct endorsements for each:—(*a*) A cheque payable to "L. Beazley & Son" or order, is endorsed by one of the sons, who signs his own name only, *i.e.*, "W. Beazley." (*b*) A cheque drawn in favour of "Smallwood & Fenn, Ltd.," or order, is endorsed "Smallwood & Fenn." (*c*) A Cheque payable to "Rev. Robert Ralphs or bearer" is endorsed "Rev. Robert Ralphs."

4—Explain the steps you would take supposing you were in business and desired to insure the contents of your shop against fire risks. Give the meaning of the terms "Insurable Interest," "Covering Note," "Premium," and "Policy."

5—Assume that you are in business in Stafford as a dealer in cycles and cycling accessories, and that you propose to open a similar establishment in King's Norton. Draw up a circular letter suitable for sending by post to persons likely to become customers.

6—What is the difference between an "Account Sales" and an "Account Current"?

7—A trader desiring to retire from business, decides to float the concern as a Limited Liability Company. How would he proceed?

8—Supposing a piece of machinery when packed is worth £50 in Stafford, what items would you require to add to this amount in order to quote a price (*a*) f.o.b. London; (*b*) c.i. Marseilles? What is the equivalent of £50 in French currency, the rate of exchange being 25.25?

9—What are the essential differences between a Promissory Note and an I.O.U.? Give a specimen of each.

10—Explain the following:—Customs Declaration, Firm Offer, Contract Note. Quotation, Prices Current.

11—Write a précis of the following:—Birmingham. Brass Trade.—In the brass trade 1910 has been a most eventful period, especially in matters of wage regulation. Business has been brisk throughout the year, a substantial lead being taken by the steam and water fittings department. A large amalgamation, in which Birmingham, Manchester and Halifax firms combine, has greatly cheapened production and increased the hold of the makers on foreign trade. Very heavy consignments have been sent to Australia and South America; while the continental trade, especially with Italy and France, is increasing. The cabinet department has not been quite so busy, but has done a substantial trade, a noteworthy feature being the large contribution to the fitting of ocean-going steamers. Wages advances have compelled somewhat higher prices to be charged. Employment has wonderfully improved, and is described as being better than for 20 or 30 years past. On all hands satisfaction is expressed at the adoption of wage-regulating arrangements, likely to be permanently beneficial. Early in the year manufacturers and workmen representing the Brass Trades Conciliation Board approached the Board of Trade to schedule the brass as a sweated industry. The claim was rejected, but employers and workmen have since unanimously approved of a scheme for the grading of workmen according to ability, by which the men can be paid on a scale of merit, and the minimum wage will be raised. The scheme has the double merit of novelty and of combining all interests.

MIDLAND COUNTIES UNION, 1912.

ADVANCED. 1—Explain the meaning of the following terms, used in connection with Bills of Exchange: (1) Dishonour, (2) Renew, (3) Accept, (4) Negotiate, (5) Endorse.

2—State the procedure to be followed in order to insure a consignment of goods forwarded by Ebury & Co., of Birmingham, by the S.S. Garnett, from Liverpool to Calcutta, and say what is meant by insurance "F.P.A."

3—What are (*a*) Certificates of Origin and (*b*) Consular Invoices, and under what circumstances are these documents used?

4—Give the meaning of five of the following terms used in reference to Companies: (*a*) Working Capital, (*b*) Authorised Capital, (*c*) Uncalled Capital, (*d*) Flotation Expenses, (*e*) Interim Dividend, (*f*) "Table A," (*g*) "Watered" Capital.

5—What do you understand by a "Limited Partnership"?

6—Mr. Wm. Greenbank is the senior partner in the firm of Wm. Greenbank & Sons, of Loughborough. Owing to ill-health he is retiring from the firm at the end of March, but his two sons, who have been actively engaged in the business, will continue to trade under the same firm name. You are required to draw up a circular letter, to be sent by Wm. Greenbank & Sons to their customers, advising them of the proposed change, and soliciting a continuance of their support.

7—Assuming the net proceeds shown in the Account Sales in Question 9 amount to £460 15s. 7d., and that a remittance for £300 has already been made on account show the First of Exchange as it would be drawn by Messrs. Farraday & Gunn for the balance. The draft should be made payable to the order of the East India Banking Corporation, Ltd., at 30 d/s.

8—Draft an advertisement for the sale of a second-hand gas engine of 20-I.H.P. which your employers have for sale. It is in good condition, almost new, and may be seen working, by appointment.

9—From the following particulars prepare an Account Sales:—17 packages of Rubber ex S.S. Ethiopian at Singapore, sold for and on a/c. and risk of Farraday & Gunn, by Echstein & Co., London, 3 Cases Sheet Rubber, Nos. 539/41. Gross 4c. 1q. 21lbs. Tare 2q. 5 lbs. Net 436 lbs., at 5/3½ per lb. 1 Case Scrap Crepe, No. 555. Gross 1c. 0q. 5lbs. Tare 19lbs. Net 98lbs. at 4/10 per lb. 13 Cases Scrap Crepe Nos. 542/54. Gross 14c. 3q. 13lbs. Tare

2c. 1q. 3lbs. Net 1410 lbs. at 5/0¼ per lb. Less allowance for draft ½% and Brokerage £2 9s. Charges :—Freight on 85' at 75/- per ton of 50ft., £6 7s. 6d. Dock dues, Landing Rent, &c., £2 13s. 9d. Fire Insurance, £500 at 1/6% 7s. 6d. Marine Ins. and duty, £452 at 3/9% and Stp. 17s. 5d.; Printing and Advertising, 7s. 6d.; Interest £1 1s. 1d.; Petty expenses entries and stamps, 5s. 6d.; Commission ½% on £490 1s. 11d., £2 9s.; Prompt 12th April, 1912. London, 28th March, 1912. E. & O. E. Robert Elsmere & Sons.

10—Write a précis of the following :—CALCUTTA COAL CARGOES.

Underwriters who have cause to remember the serious nature and frequency of fires in steamers carrying Indian Coals may derive some satisfaction from learning that, according to a recent issue of a Calcutta Journal, the Secretary of a Bombay Port Trust has addressed a letter to the Bombay Chamber of Commerce, which that body has forwarded to the Bengal Chamber asking that steps may be taken to prevent as far as possible the further recurrence of such fires. It is stated that in the last three and a half years there have been 24 fires of the kind described, all except two of which occurred in vessels arriving from Calcutta. Most of them took place in the harbour of Bombay, but six broke out on the voyage, and they were most frequent in the months of March, April, and May. It is pointed out that in the case of the British steamer lost in May, which was the most serious disaster of its kind that had been sustained for some years, there appears to have been no doubt that the fire was caused by spontaneous combustion of the coal occasioned by its wet condition, but that it will be observed that in the ordinary course of affairs, the cargoes which most often catch fire—viz., those which arrive in Bombay from March to May—must be shipped in the dry weather, so that wet coal cannot be the general cause of fires. It is asserted that the only conclusion that can be arrived at is that Bengal coal is liable to spontaneous combustion when it becomes heated in a steel vessel during the hottest months of the year, and the prevention of fire can be attained only by sufficient ventilation. The matter, it is said, is a very serious one for the coal trade, as it is found to be increasingly difficult to insure these cargoes during certain periods of the year, many insurance companies refusing to take the risk at all owing to the hot season. It is urged, therefore, that attempts should be made to discover the best methods for the prevention of these disasters, and to lay down rules for the guidance of all steamers loading coal in Calcutta when a satisfactory system of storage and ventilation has been found.

MIDLAND COUNTIES UNION, 1913.

ELEMENTARY. **1**—Write a letter from Jacklin & Jenner, Walsall Road, Cannock, to J. Jefferson & Sons, Rugby Road, Wolverhampton, asking them to forward the following goods, viz. :—1 Keg Californian Honey; 1 Drum Glycerine, re-distilled; 2/40-lb. tins Castor Oil (Machinery). They are to wire immediately on receipt of this letter stating when the goods will be forwarded.

2—Draft a telegram from J. Jefferson & Sons (Telegraphic Address : Jefson, Wolverhampton), to Jacklin & Jenner (Telegraphic Address : Jackner, Cannock), stating that the goods will be sent by rail on the following day. State the cost of the telegram.

3—Make out an Invoice, dated 24th March, 1913, for the following goods, sold by J. Jefferson & Sons, Wolverhampton, to Jacklin & Jenner, Cannock :—1 Keg Californian Honey, 1½ cwts., at 57/- per cwt. 1 Drum Glycerine, Re-distilled. Gross : cwt. 1. 1. 17. Tare, 7 lbs. at 114/- per cwt. 2/40 lb. tins Castor Oil (Machinery), at 4½d. per lb. Drum (Returnable) charged 8/-.

4—Write a note, such as might be written on a post card, advising Jefferson & Sons, that the empty drum has been returned, by rail, carriage paid, and asking for a Credit Note.

5—Make out the Credit Note referred to in the previous question.

6—From the particulars given in questions 3 and 4, make out a Statement, dated 1st April, 1913, to be sent by Jefferson & Sons to Jacklin & Jenner. Deduct 2½% discount.

7—Give the meaning of the following abbreviations :—(*a*) net 1 mo.; (*b*) c/o.; (*c*) C.O.D.; (*d*) per pro.; (*e*) N.B.; (*f*) E.E.

8—How would you refer to the following dates of this year in a letter which you are writing to-day :—5th Feb.; 3rd March; 10th April; 16th June?

9—How would you indicate the enclosures in a letter?

10—State (*a*) the smallest, (*b*) the largest amount for which a single Postal Order is issued.

11—Print in block letters, about ½" high, the word "COVENTRY."

12—Show how you would address an envelope to the Traffic Manager, New Street Station, Birmingham, and state the cost of postage, supposing the letter to weigh 6½ ozs.

INTERMEDIATE. 1—Make out an order, dated to-day, from James Jessop, Erdington Parade, King's Norton, to Jellicoe & Jarvis, Oldbury Road, Worcester, for the following goods :—1 Cask Burnt Sugar; 1 Keg Dantzic Spruce Black Beer; 1½ cwt. Austrian Rice Starch. To be forwarded by rail, carriage paid.

2—Write a letter from Jellicoe & Jarvis to James Jessop, acknowledging the receipt of his order, and stating that the goods will be forwarded in two days' time.

3—From the particulars given in question 1 make out an Invoice. The cask of Burnt Sugar weighs cwt. 1. 2. 16, gross. Tare 10 lbs., at 29/6 per cwt. The keg of Black Beer holds 3 gallons, and the price is 4/2 per gallon. The Austrian Rice Starch to be charged at 19/6 per cwt.

4—From the following make out a Statement of a/c. to be rendered by Messrs. Jellicoe & Jarvis to James Jessop :—Mar. 3, To Goods £8 10s. 6d.; Mar. 6, To Goods £18 12s. 2d.; Mar. 13, To Goods £15 1s. 9d.; Mar. 15, By Returns £2 3s.; Mar. 19, To Goods £8 3s. 10d.; Mar. 22nd, By Allowance 2s. 6d.; Mar. 28, To Goods £11 3s. 7d. Deduct 3¾% discount.

5—Write a letter, dated 3rd April, from James Jessop to Messrs. Jellicoe & Jarvis, pointing out that an error has been made in deducting only 3¾% discount, as it was arranged with the firm's representative that a discount of 5% should be allowed, provided payment was made during the month following that in which the goods were supplied.

6—Write a suitable reply to the letter mentioned in the previous question, apologising for the mistake, and stating that 5% discount will be allowed as arranged.

7—Make out a cheque in settlement of the a/c. referred to in questions 4—5—6. It should be dated 9th April, and drawn on the King's Norton Branch of the Midland Commercial Bank, Ltd.

8—Assuming that the cheque referred to in the previous question did not reach Messrs. Jellicoe & Jarvis along with the letter advising its enclosure, would it be possible to stop payment? If so, how?

9—Apart from the use of a cheque what do you consider the best method of transmitting the sum of £9 by post from the town in which you live to Leicester?

ADVANCED. 1—Goods to the value of £85 10s. have been sold by Messrs. Jenkins & Jeffreys, of Bedford, to Herren Jashke & Joubin, of Stuttgart. Draw up a bill of exchange on behalf of Jenkins & Jeffreys at 30 d/s. payable to selves or order, in settlement of the account.

2—Write a letter from James Jeffcoat, of Rugby, to Kay & Kelly, High Street, Grimsby, calling attention to the fact that he has not recently had an order from them. He encloses a price list, and as his representative will be in Grimsby in a week's time, he will arrange for him to call, in the hope that business relations may be resumed.

3—From the following make out a Shipping Invoice :—Sellers : Kimber & Co.; Buyers; Junqueira & Kayser, Buenos Ayres; One bale Flax Machine Twine, No. 759, 3 ply, in ½ lb. hanks, 55 bundles at 12 lbs.=660 lbs. at 1s. 3½d. per lb., F.O.B., Liverpool. Shipped by Steamer "Imperial" from Liverpool to Buenos Ayres.

4—At what price per lb. would the twine mentioned in the previous question be quoted c.i.f. supposing the freight charges to be £1 5s. 9d., and the Marine Insurance 5s. 6d.?

5—What are the qualities which render gold and silver suitable for the purposes of a means of exchange in the form of coinage?

6—John Kennedy and Lionel Knox are jointly responsible to William Knight for payment of the sum of £110. Draw a form of Promissory Note applicable in such a case, and say whether the document is liable to stamp duty, and, if so, to what extent?

7—Show three ways in which a bank cheque may be crossed, and explain the precise effect of each form of crossing.

8—Explain the nature and uses of a Bill of Lading.

9—Give the meaning of the following terms :—(*a*) Mortgage Debentures; (*b*) Preference Shares; (*c*) Letter of Allotment; (*d*) Limited Partnership.

MIDLAND COUNTIES UNION, 1914.

ELEMENTARY. 1—On 9th Jan., 1914, The Empire Furnishing Co., Ltd., 36 Fore Street, Stafford, ordered the following goods from The Eureka Bedstead Co., Ltd., 92 Church Street, Birmingham :—6 Brass Bedsteads, No. 24, at 37s. 6d. each; 3 Single Bedsteads, No. 18, at 25s. each; 6 Wire Mattresses, at 15s. each; 3 Wire Mattresses, at 10s. each. Carriage forward, less 15% Trade Discount, and 5% Cash Discount if paid within two months from date of invoice. Make out the order in proper form.

2—The goods mentioned in the previous question were forwarded by the L. & N.W. Ry. Co., on 15th Jan., 1914. Make out the invoice in accordance with the particulars.

3—One of the Bedsteads at 25s each was found to be damaged and of no use, a letter was written by the buyers informing the sellers of this. Write a letter from the sellers stating that the goods were in sound condition when sent out, and were signed for as such by the Railway Co., and requesting the Empire Furnishing Co., Ltd., to claim on the L. & N.W. Ry. Co., for the amount of the damage, namely, 25s.

4—On 10th March, 1914, the amount owing was paid in accordance with the Terms of Payment (see Question 1). Write a letter stating that a cheque is enclosed, name the amount, and ask for a receipt. Address the envelope provided and enclose the letter.

5—Give the meanings of the following Commercial Terms and Abbreviations: Firm Offer, Average Tare, Docketing, Statement, Letter Reference, ult., pcs., 4to.

6—Suppose you are the representative of a firm in Birmingham, and you call upon a customer in Wolverhampton, he complains that goods ordered three weeks ago have not been received, and states that he will cancel the order unless they are delivered within two days. Write out a telegram to be sent to your firm informing them what was stated by the customer, and ask for a reply by wire. What would be the cost if the address of the firm is: (*a*) 1 mile from the Post Office; (*b*) 4¼ miles from the Post Office?

7—State the various methods of keeping copies of out-going correspondence. Which do you consider the best? Give your reasons.

8—Explain fully why it is advisable that a Postage Book should be kept in every office.

9—When sending a parcel by Parcel Post, explain what may be done in order that compensation may be claimed for loss or damage in the post, without paying a fee in addition to the postage. What is the limit of compensation payable?

10—What should be done when sending or receiving messages through the telephone? Give reasons for your answer.

11—Print in block letters, about half-inch high, CREDIT NOTES.

12—Describe as fully as you can the keeping of the Petty Cash Book on the Imprest System.

13—What would be the cost of sending a letter, weighing 3 ounces:—(*a*) As a single letter by railway; (*b*) By special messenger all the way to an address 1¼ miles from the nearest Express Delivery Post Office? Describe what is to be done in each case in order to send the letter in accordance with the P.O. Regulations.

INTERMEDIATE. **1**—Write a letter, dated 5th Jan., 1914, from Messrs. F Dutton & Son, Victoria Cycle Works, Coventry, to Messrs. W. Pattison & Co., 36 High Street, Bath, quoting the following prices for cycles and accessories:—"Speedaway" Gent's Cycles at £15 each, less 20% trade discount; "Safe Riding" Ladies' Cycles at £16 10s. each, less 20% trade discount; Patent A1 Rim Brakes at 6s. per set; Safety Saddles at 5s. each. Terms: Cash Discount of 5% if paid within one month from the date of invoice or two months bill from date of invoice plus 5% per ann. interest and stamp duty.

2—On 6th Jan. an order was sent by Messrs. W. Pattison & Co., for:—6 "Speedaway" Gent's Cycles; 6 "Safe Riding" Ladies' Cycles; 6 Sets A1 Rim Brakes; 12 Safety Saddles. Prices and terms in accordance with the particulars given in the previous question. The goods were forwarded by L. & N.W. Ry. on 8th Jan., 1914, carriage paid, packed in 12 crates and 1 box, charged 2s. 6d. each, to be allowed for in full if returned in good condition. Make out the invoice.

3—On 6th Feb. the crates were returned in good condition. Write a letter acknowledging their receipt, and state that a Credit Note is enclosed. Make out the Credit Note.

4—On 9th Feb., 1914, a Bill of Exchange is drawn dated 8th Jan. (date of invoice), by Messrs. F. Dutton & Son for the amount owing in accordance with the Terms of Payment (see question 1). Write a letter to Messrs. W. Pattison & Co., enclosing draft and ask for acceptance.

5—The draft is accepted on Feb. 10th, 1914. Draw the bill, state the amount, indicate the stamp duty and due date of the Bill, and show the acceptance payable at the National Bank, Bath.

6—On 11th Feb., 1914, the Bill is discounted by the drawers, discount charged 5% per ann. Explain the meaning of this, and state the amount which would be received.

7—Explain fully how to fill up a Bank Paying-in Slip, and state the use of such forms.

8—Mr. F. Walker, senior partner of Messrs. E. Walker & Son, Iron Founders, Bristol, is about to retire from business. The business is to be carried on by Mr. F. Walker, Junr., and Mr. A. Fortune, who has been manager for 15 years. The new firm took over the business from 1st January, 1914, under the name of Messrs. Walker & Fortune. Draft a circular to be sent to customers and others, informing them of the change, and soliciting a continuance of their orders.

9—State the advantages of Loose Leaf Ledgers and explain how they are kept.

10—Explain what is meant by a "not negotiable" cheque.

ADVANCED. 1—What is the difference between a Delivery Note and a Delivery Order? Explain the use of each.

2—Why is it advisable that all verbal contracts for the sale of goods should be confirmed in writing. What is necessary to be done in the case of a sale of goods of the value of £10 and upwards in order that the contract may be enforceable by action?

3—You have received an order from a firm with whom you have not previously done business. What would you do to prevent, as far as possible, incurring a bad debt?

4—Describe fully what is necessary to be done in connection with sending goods from an inland town to a port for exportation, name the documents generally used, and explain the purposes of each.

5—What are the advantages of a firm being converted into a Limited Liability Co.? What are the main differences between a Private Limited Liability Co. and a Public Limited Liability Co.?

6—By what name are the two kinds of Members of the London Stock Exchange known? And how do their duties differ?

7—What is the meaning of the following quotation taken from the Share List in a Daily Newspaper:—Royal Mail Steam 106 108 + 1?

8—In exporting goods from this country to Japan, would you prefer payment to be made by a Bill of Exchange or a Promissory Note? Give reasons for your answer.

9—Why should cheques be paid into the bank as early as possible after receipt? Who would bear any loss that may arise in case of a cheque being dishonoured, which had not been paid in within the time allowed?

10—What documents should be attached to a Documentary Draft? And for what purposes?

11—Give the meaning of the following Commercial terms:—Legal Tender, Bankers' Clearing House, Articles of Association, Average Clause in a Fire Policy, Del Credere Commission, Certificate of Origin.

12—Why are cheques crossed? How many kinds of crossings are there? Give examples. Suppose you have not a Banking A/c., how would you obtain payment of a crossed cheque?

The ROYAL SOCIETY of ARTS (*18 John Street, Adelphi, London, W.C.*), holds an Exam. in "Handwriting and Correspondence" in the Elementary Stage; in "Commercial Correspondence and Business Training" in the Intermediate Stage; and the "Theory and Practice of Commerce" in the Advanced Stage. Examinations are held in March and May. 3 hours.

1911.

ELEMENTARY. 1—Read the following two letters and state in a few words what they are about. A précis or abstract of each letter is not required.

Messrs. Parsons & Love, Ltd.
London, E.C.

London, 3 April, 1910.

Dear Sirs, Messrs. Diprose & Co., of Southend-on-Sea have asked us to open an account with them and give us your name as a reference. Will you therefore kindly inform us if, in your opinion, we may safely credit them, say, to the extent of £100, and also whether they are prompt in their payments? Please find stamped addressed envelope enclosed. Thanking you in anticipation of your reply, and assuring you that we shall be pleased at any time to be able to render you a like service. We are, Dear Sirs, Yours faithfully, Brown & Robertson, Ltd.

Messrs. Brown & Robertson, Ltd.,
London.

London, 3 April, 1910.

Dear Sirs. In answer to yours of even date, we must express our surprise that Messrs. Diprose & Co. should take it upon themselves to give our name as a reference. The firm in question has never had an account with us; as far as we know they are sound enough, but we have no certain knowledge of their true

financial position. The only transactions we have had with them during the past eighteen months are two small orders, both of which were paid for in cash on delivery of goods. Regretting our inability to assist you in this matter. We remain, Yours faithfully, Parsons & Love, Ltd.

2—Write out clearly, from the notes below, a reply to the following letter:

To Mr. John G. Jackson, 14 Bush Lane, Enfield,
14 North Street, Reading. 24th June, 1910.

Dear Sir,

On reading through the columns of the "*Berkshire Herald*," I notice that you have a Confectioner's, Tobacconist's and Newsagent's business for sale in Berkshire, and shall be much obliged if you will send me particulars of the same.

Yours truly, Frank Edmunds.

Notes for reply:—Price asked £200, which includes all stock and part fixtures and fittings. Books kept, trial allowed. Rent, £35. Round of about 160 customers. Shop, 4 rooms, large store, and back entrance; situate in Palmer Street (28), Reading. Can be looked over by appointment. Takings about £16 a week. Can easily be increased by canvassing.

3—What are the charges for sending Inland Money Orders?

4—What do you know of the Post Office Savings Bank?

5—Does the Post Office grant Life Insurances? If so, what are the conditions?

6—What do enclo., ult., cwt., f.o.b., ref., and P. & O. stand for?

7—Describe any system of copying and filing correspondence you know of.

INTERMEDIATE. 1—Explain the nature of a docket, and give specimen dockets for a letter, an invoice, and a statement.

2—Explain the difference between a Postal Order and a Money Order. What safeguards can be adopted when remitting Postal Orders and Money Orders?

3—What is the Postage on the following letters:—(1) One of 4oz. to Philadelphia. (2) One of 2oz. to Shanghai. (3) One of 2½oz. to Timaru (New Zealand). (4) One of 1¼oz. to Bangkok. (5) One of 1oz. to Honolulu. (6) One of 3oz. to Pekin.

4—Mention the quickest route from London to Tokyo. Name two other routes that could be followed.

5—What are a Price List, Price Current, Pro-forma Invoice, and a Firm offer?

6—Explain the meaning of the following:—B/E., G.M.Q., O/S., P/N., A/C., O/R., C/R., C.O.D., D/O., B/L., and L.S.

7—Explain the nature and purposes of the following commercial documents:—Account, Invoice, Contract Note, Debit Note, and Credit Note.

8—Distinguish between "Trade" Discount and "Cash" Discount, and explain what is meant when an invoice is marked "5% 1 mo. prompt."

9—What do you know of the "Express Delivery Service" for letters? Name three ways in which the delivery of inland letters may be expedited.

10—You, Alfred Jones, carrying on business as Jones Bros. & Co., at 14 Queen Street, Hulme, Manchester (T/A. "Jobro," Manchester), and also at 14 Spa Road, Bermondsey, London (T/A. "Finnikin," London), have instructed Albert Woods, your Manchester Manager, to meet you in London at 12-20 a.m. on Wednesday. It is now Tuesday afternoon, and you find that you have omitted to tell him to bring the estimate for some new machinery you are having installed, and also to obtain and bring with him the plans of a new workshop you are about to have erected. The plans are with Robert Cocks & Co., Architects, St. Anne's Square, Manchester, but Woods does not know this. Draft a telegram giving Woods the necessary instructions.

11—What do you understand by a "coded" telegram? What purpose does a code serve? Name any three codes you know of.

12—What do you understand by the following expressions:—Gross, Net, Tare, Draft?

13—Mention one or two advantages of the Cheque system. Distinguish between a "Bearer" cheque and an "Order" cheque. Also between a "Crossed" and an "Open" cheque. Draw out a form of cheque on the London & Lancashire Bank, Limited, for £110 9s. 6d., in favour of James Herbert & Sons. Sign it John Truelove, and make it as safe a document as you know how.

14—Rule and write out an invoice for the following goods, filling in whatever other particulars you please, to give your draft the appearance of actuality:—102 as 100 yds. Light Fancy Tweed, at 2s. 9d. per yd.; 99 as 89 yds. Black Vicuna at 2s. per yd.; 43 as 42 yds. Blue Serge, at 1/10 per yd. Then rule and make out a Statement of a/c. for the goods, deduct 7½%, and receipt the a/c.

15—What do you know of the Port of London, the Royal Mint, and the Bank of England?

ROYAL SOCIETY of ARTS, 1912.

INTERMEDIATE. 1—What is the meaning of Poste Restante, and for what purposes is it provided?

2—Write a letter to the Secretary of the Walsall Hardware Co., 15 New Street, Walsall, applying for the post of Junior Clerk.

3—What is the postage on the following from London:—(*a*) 2½ lb. parcel to Bombay; (*b*) 1¼ oz. letter to Shanghai; (*c*) 2 oz. letter to San Francisco; (*d*) 3½ oz. letter to Edinburgh; (*e*) 5 lb. parcel to Belfast; (*f*) 2½ lb. parcel to Paris; (*g*) 1½ oz. letter to Nagasaki.

4—Give some account of the different methods of filing.

5—Explain in a few words the meaning of the following abbreviations:—T.M.O., per pro., ex div., qy., N/s., and Cie.

6—Give the meaning of each of the following expressions:—Port of Entry, Free on Board, Presenting a Bill for Acceptance, Turnover, Via.

7—Define an Invoice. Mention the particulars usually given in such a document, and rule and write out a specimen invoice for the following goods:—Buyers, Brown & Carson, 36 Love Lane, Birmingham. Sellers, Johnson & Crewe, 10 Philpot Lane, London, E.C. 3 cases Sardines, 100 in each case, at 9s. 3½d. per doz.; 5 cases Tomatoes, 2 doz. in each case, at 3s. 10½d. per doz.; 10 28lb. boxes Macaroni, at 2¼d. per lb.; 10 boxes French Plums, 28lb. in each box, at 45/- per cwt. Deduct 1% and receipt the invoice.

8—Write in as few words as possible a Telegram embodying the following:—Kindly forward at once 5 chests Assam Pekoe, Box No. 257, by L. & N. W. Railway goods train; and wire if you are unable to dispatch. Telegraphic Address of Sellers, "Roslam, London." Buyer, John Wright, 16 Colquitt Street, Liverpool. State the cost of the telegram.

9—State what you know of the Board of Trade or the Manchester Ship Canal.

10—Mention the principal English and Scotch Railways. Give the names of two large towns served by each.

11—What is the Imprest System?

12—What is meant by "Crossing" a cheque, and why is it resorted to? Give three different specimen crossings, and explain the meaning of each. If you received an open cheque made out in your name and payable to bearer, what precautions would you adopt to prevent its being wrongfully cashed?

13—Leonard & Co., of London, have sold goods to Herren Schultz und Söhne, Tiergarten 14, Hamburg, to the value of £180 10s. Draw out a Bill of Exchange in duplicate at 10 days for the amount in Marks, payable to Leonard & Co.'s order. £1=20.45 Mks.

14—Calculate the following discounts:—1½% on £102 10s. 9d.; 3⅜% on £86 5s 4d.; 12½% on £57 9s. 8d.; Contrast the following:—Gross Selling Price and Net Selling Price; Spot Cash and 1% 15 days prompt; F.O.B. and C.I.F.; C.O.D. and C.W.O.

15—Explain what is meant by a Negotiable Instrument. Give examples.

ROYAL SOCIETY of ARTS, 1913.

ELEMENTARY. 1—Write out clearly, from the notes below, a reply to the following letter:—

To Mr. Herbert Burrows,
Auctioneer and Business Broker,
10 Moorgate Street, E.C.

14 Charlton Road,
Sanderstead,
10th August, 1912.

Dear Sir,

As I see from an advertisement in one of the daily papers that you have a drapery business for sale in Surrey, I shall be much obliged if you will favour me with particulars of the same. Yours faithfully, Sydney Jackson. *Notes for reply*:—The business comprises a Grocery, Drapery, and Outfitter's business. Situated at Guildford. Takings last year £4500 roughly. Has been established 100 years and in same hands 20 years. Premises comprise 3 shops all adjoining, 7 rooms, nice yard, garden, stabling, and storehouses. Price, including all fixtures, horse and van, and stock, £1000. About £400 of purchase money could remain. Will bear investigation. Owner retiring.

2—What are the charges for postage of letters to British Possessions and to Foreign Countries?

3—What do cwt., P.S., N.B., O.H.M.S., L. & S.W. R. and C.P.R. stand for?

4—State the charges for Inland Money Orders?

5—Write six sentences showing how each of the following words are used:—Conceit, precocious, exaggerate, audible, collapsible, gruesome.

6—When using the telephone how would you call 77200, 28885?

7—Describe any system of Copying and Filing Correspondence with which you are familiar.

INTERMEDIATE. 1—What is the vowel system of indexing? Illustrate your answer by an example.

2—What do the following abbreviations stand for:—E.E., F.A.Q., F.O.B., MSS., q.v., T.T., viz., E.G. Explain the difference between F.O.B. and C.I.F.

3—What is an "open" cheque and what is a "crossed" cheque? Which form of cheque do you recommend for general use by business men, and why?

4—What kind of business is transacted at the Stock Exchange and what at Lloyd's? Say what you know of the latter institution.

5—Calculate 1¼% on £79 10s. 7d.; 7½% on £143 10s. 9d.; 6% on £42 7s. 4d.; and interest on £84 12s. 6d. for 2 mos. at 3% p.a.

6—Rule a form of invoice (putting in whatever particulars you please to give it actuality), and enter the following:—3 pcs. Sheeting 5⁄4″, No. 40, 1/62, 1/80, 1/97=239 yds. at 6½d.; 6 pcs. Sheeting, 69″, No. 40, 2/64, 2/66,, 2/68=396 yds., at 9½d. 5 pcs. Sheeting 70″, No. 40, 3/70, 2/69½=349 yds. at 9⅜d. Deduct 3½% discount.

7—What is the postage on the following from London:—(*a*) 1¼ oz. letter to New York. (*b*) 3½ oz. letter to St. Petersburg. (*c*) 1 oz. to Cairo. (*d*) 2 lb. parcel to Edinburgh. (*e*) 2 oz. letter to Hong Kong. (*f*) 6 lb. parcel to Jamaica?

8—Explain what is meant by "duty-free goods" and "goods in bond."

9—What is a Consular Invoice, and what purpose does it serve?

10—When do receipts for money require stamping? When would you give a receipt "on account"? On behalf of your employer, John Bright, you called on Ford & Co., to collect an account amounting to £10 7s. 8d., and Ford & Co. handed you a cheque for £7, carrying £3 forward as goods on hand. Show the form of receipt.

11—"Bill of Exchange with shipping documents attached." What are these shipping documents? Describe the functions of each, and explain why the documents should be attached to a Bill of Exchange.

12—Explain as fully as you can what you understand by discounting a draft.

13—Give as many reasons as you can to account for the great part played in modern commerce by the Bill of Exchange.

14—You have booked your passage to Bombay by the P. & O. s.s. "Malacca," and are to join the boat at Brindisi. Describe the route from London to Brindisi, mentioning, of course, some of the towns you would pass through, and the time the journey would take under the most favourable conditions.

15—Re-write the following letter, correcting grammatical and other mistakes, deleting any superfluous words and expressions, and altering the construction and diction where you think they can be improved. Set the letter out neatly, insert all necessary punctuation marks, and write all the abbreviations in full: Messrs. The Rex Sulphate Co., Ltd., 24 Gracechurch St. E.C. Sept 24 1913.

Gents we beg to ack. rect. of yr. lr. offering to us the sole agency in this town for your goods and beg to thank you for the same we however regret that the commission that you offer is too small to be an inducement to us to take up the agency for yr. goods if you feel however disposed to increase the rate to 12½% we shall have much pleasure in giving the matter our farther consideration we may point out to you that your goods have at present as you yourselves state no great sale in this district but we think with the means that we have at our disposal we could increase the sales to a considerable extent awaiting the favour of a reply your's faithfully James Brown and Sons.

ROYAL SOCIETY of ARTS, 1914.

ELEMENTARY. 1—Write out clearly, from the notes below, a reply to the following letter:—

Telford House, Richmond. 21st October, 1911.

Sir,

As I am given to understand that there is likely to be a vacancy for a Confidential Clerk in the office of the Moorgate Insurance Company, I shall be much obliged if you will kindly cause me to be supplied with particulars of the appointment. A stamped envelope is enclosed for reply.

The Secretary, Moorgate Insurance Co., 10 Leadenhall Street, E.C.

I am, etc.,
Frederick W. Mappin.

Notes for reply:—Applicant must be an active man with good business capacity, fully qualified to undertake investigations and negotiations of a confidential nature. Age under 35. Salary £250 a year + bonus. Holiday 3 weeks. Hours 9-30 to 5-30; Sats. 1-30. Good references required. Certificate from the Institute of Actuaries would be useful. Must be prepared to appear before Board of Directors.

2—How much does it cost to send a letter weighing 10 oz.?

3—What do you understand by the expression "Post Office Savings Bank"?

4—What do you understand by enclo., hwth., ulto., inst., proxo., and e. & o. e., i.e., q.v.?

5—Insert in each of the following sentences the appropriate word from the list given:—Concede, abbreviate, accept, admit. This ticket will — two; I cannot — such evidence; He is prepared to — this point; You should not — the word July.

6—How many words can you send in a telegram for 1s. 6d.?

7—Describe any system of Copying and Filing Correspondence with which you are familiar.

INTERMEDIATE. 1—In printed books we frequently see the following abbreviations:—c.f.; et seq.; et sqq.; viz.; e.g.; M.S.; q.v. Write out the abbreviations in full and give their meanings.

2—The following abbreviations are commonly used in commercial documents: a/or; A/S.; cum. div.; ex. div.; D/A.; F.G.A.; f.o.r.; kilo; R.M.S.; pp. Give their meanings and in the case of the second explain what it is.

3—What is the postage from London on the following:—(*a*) 6oz. letter to Boston (Mass.); (*b*) 1½oz. letter to Madrid; (*c*) 4lb. parcel to Amsterdam; (*d*) 3½lb. parcel to Shanghai; (*e*) 1½oz. letter to Melbourne; (*f*) 2oz. letter to Kobe.

4—Calculate 3½% on £79 5s. 6d.; 7½% on £157 6s.; 6% on £56 7s. 3d.; 2½% on £243 6s. 7d. and the interest on £112 10s. for four months at 3½% p.a.

5—Rule a form of invoice, putting in whatever you please in the way of headings to make it look like a real invoice, and enter the following:—1 p.c. × 27 Coating, 56 yds. at 4s. 2d. per yd.; 1 p.c. × 36 Coating, 37 yds. at 3s. 9d. per yd.; 1 p.c. × 0127 Trousering, 48 yds. at 3s. 3d. per yd. Terms 1¼%, one month. Deduct the discount and receipt the invoice.

6—Describe any good system of filing with which you are acquainted.

7—Show how the following would be indexed in the letter book:—The Rt. Rev. the Bishop of Stepney; Dr. A. C. Haddon, F.R.S.; M.M. Sentier et Cie.; Messrs. A. J. Barker & Co.; C. E. Rivers-Wilson, Esq.; The President, Board of Education; The Editor, Sheffield Daily Telegraph; Rigby's, Limited; The Manager, Bank of British North America; Herren J. Schröder & Söhne.

8—You are an exporter of stationery and have received an order from Melbourne for your stock lines, value, say, £100. State the procedure you would follow in getting the goods to your customer in Melbourne.

9—A merchant may quote a price for goods f.a.s., which means that the price includes the cost of conveying the goods to the ship's side. Mention five other kinds of prices commonly quoted for goods, give their commercial abbreviations, and explain exactly what the prices mean.

10—An importer of foreign goods has to "declare" the consignments he receives. What is meant by "declaring" goods and how is it done? What is the procedure followed by an importer to obtain possession of dutiable goods?

11—Describe the procedure when remitting by money order. If a money order is lost, can the amount paid for it be recovered?

12—Write a short essay on the effect of the opening of the Panama Canal on British oversea trade.

13—Correct or justify the following sentences:—(*a*) Nine-tenths of the land is desert; (*b*) I have communicated with him the day before yesterday; (*c*) The monetary situation is one of the most singular that have ever occurred; (*d*) Scarcely had I written to him than he called at the office; (*e*) Trusting to receive your esteemed orders, Yours faithfully, John Jones; (*f*) His clerk aggravates me by his surly demeanour; (*g*) Sailing up the river the whole city may be seen; (*h*) Probably he knows more about Stock Exchange practice than any living man; (*i*) The address only to be written on this side; (*j*) The fact of me being a stranger to him does not affect the position.

14—Messrs. Thomas Holt & Co., of 128 Market Street, Manchester (Telegrams: Holt, Manchester), have just received 10 bags of granulated sugar ordered from Messrs. Joseph Taverner & Sons of 119 Great Cobalt Street, London (Telegrams: Grano, London). Messrs. Holt find that 5 of the bags have been seriously damaged by sea-water. Draft, in as few words as possible, a telegram from Messrs. Holt explaining the matter, and at the same time ordering another 5 bags to be dispatched at once.

15—Write a letter as from Messrs. Taverner acknowledging receipt of the wire from Messrs. Holt and stating that the 5 bags of granulated have been sent off, and that Messrs. Taverner are investigating the complaint about the damaged bags. Add any expressions you think appropriate to the occasion, and sign the letter in such a way as to show that you have power to act for Messrs. Taverner.

Theory and Practice of Commerce.

INTERMEDIATE. 1—How would you distinguish between "Industry" and "Commerce"? Give two examples of each.

2—What are the usual terms of purchase of goods by a retailer from a wholesale warehouse or a manufacturer?

3—A. owes £5 each to B. C. and D. In discharge of his indebtedness he forwards by post five Postal Orders of £1 each to B., a Money Order for £5 to C., and a crossed cheque drawn on his bankers to D. You are asked to state as clearly as you can how the actual payment is carried into effect in each case, including in your explanation all intermediate operations.

4—It has been stated (*a*) that the modern tendency is towards retail business on a large scale, (*b*) that expenditure on organisation tends to increase rapidly with the size of the business. Can you reconcile these statements?

5—What are the functions of a wholesale warehouse?

6—State shortly the meaning of the following signs:—(*a*) B/L.; (*b*) C.O.D.; (*c*) cum div.; (*d*) E. & O. E.; (*e*) d/d; (*f*) f.p.a.

7—Under what headings would you classify each of the following as occupations? (*a*) Coal mining; (*b*) Fisheries; (*c*) Teaching; (*d*) Insurance; (*e*) Banking; (*f*) Accountancy.

8—What do you know about the Bankers' Clearing House?

9—What effect have fluctuations in the cost of transit upon (*a*) prices, (*b*) the volume of trade?

10—How is business affected by invention (*a*) in manufacture, (*b*) in distribution, (*c*) in the organisation of methods.

11—What are the functions of capital in business?

12—What is discount? When and why is it given, and whom does it advantage?

Theory and Practice of Commerce.

ADVANCED. 1—What is a broker? What are his principal functions?

2—What is (*a*) a "bull point," (*b*) a "bear point"? What (if any) are the uses of "bulls" and "bears" to the community?

3—What are "futures in cotton"? How are they worked? When are they legitimate business transactions and when purely speculative transactions?

4—What are "fluctuations in exchange," and what causes them?

5—In what ways may masters combine for common purposes?

6—What is a limited partnership? When is this form of combination preferable to (*a*) an ordinary partnership, (*b*) a limited company?

7—State shortly the conditions of a valid contract for the sale of goods for future delivery.

8—What is the Bank Rate? What causes it to fluctuate, and why is it usually higher in the autumn?

9—What purposes does capital serve in business? What is Capital?

10—What is Goodwill, and how is it affected by (*a*) Advertising, (*b*) Management?

11—What considerations would guide you in deciding whether to send goods (*a*) by road, (*b*) by rail, (*c*) by canal?

12—A Bank advances money upon goods shipped on consignment abroad. How would the Bank secure this advance in the ordinary way of business, and how would it proceed to collect the amount owing to it in due course?

The WEST RIDING of YORKSHIRE COUNTY COUNCIL

(*Education Department, County Hall, Wakefield*), holds an examination in all the three stages of "Commercial Practice," in April or May.

1909.

INTERMEDIATE. 1—Give the reasons which in your opinion account for the fact that the imports of the United Kingdom exceed the exports.

2—Mr. George Ramsay, who is the proprietor of a Grocery and Provision Store, takes into partnership Thomas Macdonell, his former Manager. The new firm will trade under the style of Ramsay, Macdonell & Co. Write a circular letter to be sent to Mr. Ramsay's customers, notifying them of the change.

3—Make out an export invoice for the following goods, forwarded by Wm. Southey & Co., Buxton Road, Sheffield, to Cookes & Burrell, Liverpool, for shipment by steamer to Stealford & Co., Durban, Natal. One case cotaining:—6 Silver Holster Flasks 7″ @ £1 8 6 each; 6 Solid Leather Holster Cases Large @ 13/- each; 3 Mahogany Canteen Cabinets (105 pieces Cutlery) @

£4 12 - each; 6 doz. Silver Coffee Spoons No. 8342 @ £2 18 6 per doz.; 1 doz. 3 bottle E.P.N.S. Lunch Cruets No. 86 @ 13 6 each; 1 E.P.N.S. Syphon Stand No. 21561 @ £2 1 -; 1 Afternoon Tea Service No. 7026 @ £4 10 -; 1 Corinthian Lamp No. 12590 @ £6 13 -; 3 Manicure Sets, Plain, No. K. 146 @ £2 15 - per set. Less 15% trade discount. Measurement of case 3ft. 6in. × 4ft. 9in. × 3ft. 3in.

Charges—Freight at £2 8 - per steamer ton and 10% primage; Carriage to Liverpool 8/6; Shipping Charges and B/L. 4/-; Marine Insce. (for 10% above invoice amount @ 10 6% and stamp. Marks (in triangle) "S. & Co., 126, Durban."

4—Write a letter from Southey & Co., Sheffield, to Cookes & Burrell, of Liverpool, advising them that the case mentioned in Question 3 has been forwarded per L. & Y. Railway, and requesting them to effect insurance, and ship the case by the first steamer.

5—Southey & Co. draw on Sleaford & Co. for the amount of the invoice given in Question 3 by a 60 d/s. draft, which is negotiated through the United South African Bank. Show the draft.

6—What would be the amount to be paid for freight on the following:—(1) 4 c/s. each measuring 3ft. 4in. × 2ft. 6in. × 3ft. 9in. at 36/- and 10%; (2) 5 bales each measuring 2ft. 9in. × 4ft. 3in. × 3ft. 3in. at 32/- and 10/-; (3) 3 casks each measuring 3ft. 5in. × 4ft. 2in. at 19/- and 10%?

7—What is the difference between a "Valued" and an "Open" policy of Marine Insurance?

8—Give the value in sterling of the following:—(1) 1560 Francs at 25.30 exchange; (2) 1865 Marks at 20.52 exchange; (3) 1620 Roubles at 24 5/16 d. exchange; (4) 2000 Rupees at 1/4 1/4d. exchange.

9—Explain the difference between a "clean" and a "foul" Bill of Lading.

10—Say if any of the following endorsements are irregular, and if so in what respects: A cheque made payable to Arthur Binns & Sons or bearer endorsed "Arthur Binns"; A cheque payable to Mrs. Arthur Benjamin and endorsed "Mrs. A. Benjamin"; A cheque payable to The Burnley Manufacturing Co. endorsed "The Burnley Manufacturing Company, Arthur Smithers."

11—Goods have been delivered by the Pudsey Manufacturing Co. to George Tweedie & Sons, Manningham, as follows:—June 5th, £18 10 -; June 26th, £82; July 7th, £64; and August 6th, £81. What is the average due date?

12—Explain the meaning and effect of the words "not negotiable" on a cheque. Write out a cheque drawn on the York and Lancaster Bank by B. Swift in favour of A. Walker, in such a way as will prevent any person but the payee from cashing it.

13—In what respects does a Limited Company differ from an ordinary firm?

14—What is meant by:—(*a*) The French Exchange has now risen to 25.30; (*b*) The Berlin Exchange has soon proved sensitive to gold withdrawals, and is down to 20.52, the market rate of discount in Berlin hardening to 2 1/2 per cent; (*c*) In the Discount market short dated bills were still quoted at 2 3/8 to 2 7/16 per cent., but for three months paper the quotation gave way to 2 1/4 per cent?

15—What is a c.f. and i. Invoice? Show how the price would be arrived at when quoting c.i.f.

ADVANCED. 1—What is an Account Current? Give a specimen, with not less than six entries.

2—Define the following terms used in connection with insurance:—(*a*) Insurable Interest; (*b*) Policy; (*c*) Whole or Life Policy; (*d*) Premium; (*e*) Risk.

3—Explain the terms loco., c. & f., c.f. & i., franco, and franco domicile.

4—Geo. Harris & Co., Adelaide, purchased from Lauder & Bowles, Birmingham, hardware to the value of £120 10 -, which is forwarded in three cases per S.S. "Lowther Castle," from London. Payment is to be made by a documentary draft, the documents to be surrendered on payment. Draw the first of exchange and enumerate the documents to be attached.

5—Write a letter on behalf of Lauder & Bowles to Geo. Harris & Co. (*a*) advising shipment of the goods named in Question 4, (*b*) enclosing one copy of invoice, and (*c*) stating that you have drawn on them by Documentary Draft which you are negotiating through the Australian Commercial Bank, Ltd.

6—Make out an export invoice (f.o.b.) for the following goods, sold by Marcus & Bellamy, Bradford, to Signor Ferrier, Leghorn. 8 cases, 45 pcs. each, 34in. White Shirtings. Patt. No. 326 @ 6/6 per piece. Packing 6/- per case. Carriage to London and Freight (Through rate) at 22/- per steamer ton and 10% primage. Each case measures 3ft. 2in. × 2ft. 4in. × 1ft. 11in. Marine Insurance F.P.A. 3/6% (for 10% over invoice value) and stp., B/L. and charges 4/9. Shipped from London per S.S. "Athenian."

7—Make out a Franco Invoice from the particulars given in Question 6. Import duty Lire 350. Exchange 25.45.

8—Give the precise meaning of the clause "Corn, Fish, Salt, Flour and Seed are warranted free from Average, unless general, or the Ship be stranded" occurring in a Marine Insurance Policy.

9—The Sailing Vessel "Rudolf" from Liverpool to Buenos Ayres is obliged by stress of weather to put into Rio Janiero for repairs. The Captain has not sufficient money on board to pay the account. You are required to explain three ways in which he may raise the necessary funds.

10—Make out an Account Sales of 50 Barrels Coffee ex "Coriander" from Kingston, Jamaica, sold by Barnes & Batwing, Liverpool, on account of Messrs. James Sheard & Co., Kingston. Gross weight 96cwts. 2qrs. 8lbs.; Tare, 9cwts. 2qrs. 12lbs.; Draft 2cwts. 1qr. 8lbs.; sold at 68/- per cwt. *Charges*: Entry, Dock, and Town dues 13/-; Marine Insurance on £350 @ 10/-% and stp.; Freight on 96cwts. 2qrs. 8lbs. @ 47/6 per ton of 20cwts.; Cartage and Porterage, £1 3 6; Consolidated Rate, £4 17 3; Fire Insurance, 6/-; Auction expenses, 8 4; Bank Commission and Interest on Charges, 9/-; Commission and del credere @ 2½%.

11—What is a Charter Party, and what is the difference between a Voyage Charter and a Time Charter?

12—Explain briefly the difference between *Customs* and *Excise* duties.

13—What formalities would have to be observed before you could take delivery of a consignment of currants ex S.S. Chloe Patras to London? (An import duty is charged on Dried Fruit).

14—What is a Certificate of Origin, and for what purposes are such documents used?

WEST RIDING COUNTY COUNCIL, 1910.

ELEMENTARY. THIRD YEAR. 1—Write a letter, dated 5th May, 1910, from Peet & Ingram, Ironmongers, etc., Market Place, Halifax, to Gee, Gregory & Co., Victoria Works, Leeds, ordering the following goods, viz.:—3 gross ½" dia. 3" Steel set screws; 1½ gross ⅞" dia. 4" Joint pins; 1¼ cwts ¾" dia. Copper rivets; 2½ cwts. ¾" dia. 3" Coach screws; 2 cwts. ½" dia. 2½" Coach screws. To be forwarded per L. & Y. Railway. Note:—The same names and addresses to be used throughout the transaction dealt with in questions 2 to 8.

2—Write a letter acknowledging the receipt of the order mentioned in the previous question, and stating that the goods will be forwarded on Monday next.

3—A telephone message is sent by the buyers to the sellers on Saturday, May 7th, asking whether it is possible to dispatch the goods on that day. The reply is in the negative, but delivery is promised for Monday certain. You are required to rule a form on which to record the message in the office of the sellers, inserting the message and reply.

4—Make out an invoice for the goods sold, dating it the 9th May, the particulars being as follows:—3 gross ½" dia. 3" steel set screws @ 24/9 per gross (Dis. 10%); 1½ gross ⅞" dia. 4" joint pins @ 58/- per gross (Dis. 10%); 1¼ cwts. ¾" dia. copper rivets @ 16/6 per cwt. (Dis. 12½%); 2½ cwts. ¾" dia. 3" coach screws @ 21/- per cwt. (Dis. 12½%); 2 cwt. ½" dia. 2½" coach screws @ 23/9 per cwt. (Dis. 12½%). Packed in six bags, which are to be charged at 3d. each, and two casks (returnable) at 4/- each. Deduct the trade discounts at the rates shown.

5—Write a letter, dated 12th May, stating that the two empty casks, charged at 4/- each in the invoice of the 9th inst., have been returned by rail to-day, and that you are enclosing a debit note.

6—Make out the debit note mentioned in the previous question, and also the statement which would be rendered to the buyers at the end of May. Deduct discount at the rate of 2½%.

7—Draw an order cheque, dated 6th June, and drawn on the Halifax and Keighley Bank, Ltd., in settlement of the account. Make a cheque "Not Negotiable."

8—Supposing the cheque referred to in the previous question, after having been paid into the Leeds Old Bank by the payees, was returned to them marked "R/D." what steps would they take? Would the same course be adopted if the cheque was marked "N/F." or "Irregular"?

9—How should the following cheques be endorsed? (*a*) Payable to the Batley Weaving Co., Ltd., or order; (*b*) Payable to Mr. Perkins, or order; (*c*) Payable to Trewin Brothers, or bearer.

10—From the following particulars draw up in proper commercial form, a bill of exchange:—Date: 5th May, 1910; Currency: Three m/d.; Amount: £87 10s. 6d.; Drawers: Oakley, Voss & Co., Dewsbury; Drawees: Nid & Bannister, Skipton; Accepted payable at the West and East Riding Bank, Skipton.

11—Confining your answer to six of the towns named below, you are required to state in regard to each, (*a*) its staple industry, (*b*) how may it be reached from Leeds, and (*c*) its approximate distance therefrom. Halifax, Keighley, Todmorden, Manchester, Wakefield, Mirfield, Sheffield, Huddersfield, Birmingham, Morley, Barnsley, Rotherham.

12—Point out the inaccuracies which are noticeable in this Promissory Note. Stamp.

3d. 5th May, 1910.

Three months after date I promise to pay the sum of Fifty-six pounds for Value Received.

£56 10s. 0d. James Tanner,
Thomas Barton.

13—Explain the meaning of the following terms, used in connection with bills of exchange :—(*a*) Discounting, (*b*) Renewing, (*c*) Presenting for Acceptance, (*d*) Dishonouring.

14—Condense the following market report into a suitable form for telegraphing, retaining the salient points :—There is little change to report in any section of the linen market. Demand is steadily maintained, and prices keep very firm, tending upwards. Flax both in local markets and on the Continent, is in active request, and values are hardening still further. Spinners have secured a moderate number of orders—about equal to production. Rates are firm. The fore-sold condition of manufacturers makes them disinclined to contract themselves further ahead, but they have been constrained to add to their commitments in several instances; of course, on their own terms as to price and delivery. Powerloom linens for bleaching, damasks, cambrics, dress goods, &c., are all being made at high pressure. The home demand for bleached and finished linens is quietly improving. Orders are not specially large, but are likely to come forward steadily, and must, of course, be at current prices. In the somewhat congested state of business this answers very well. Shipping trade continues remarkably good. The demand from the United States for dress goods, damasks, coloured linens, cambrics and embroidered goods, is still very active.

INTERMEDIATE. FOURTH YEAR. 1.—Show a specimen of a Mate's Receipt, stating what purpose it serves, and for what document it is exchanged.

2—Thomas Bell & Co., of Ossett, have received an order from Levy & Jagenburg, Dusseldorf, Germany, for goods of the value of one hundred pounds. The latter firm give the name of Messrs. Wilson, Brightman & Co., of Halifax, as reference. Write a letter from Thomas Bell & Co., to Wilson, Brightman & Co., inquiring as to the financial standing of Levy & Jagenburg, and asking specifically whether they are good for credit up to two hundred and fifty pounds.

3—Write a suitable reply to the letter mentioned in the previous question, stating that you have had business relations with the firm named for over five years, and have always found them prompt in meeting their obligations.

4—The Yorkshire Manufacturing Co., Ltd., Albion Mills, Elland, sell goods to Herren Vervacke & Brodowsky, 152 Singenbergstrasse, Berlin, as follows :—May 10th, £86 10s., May 30th, £72, June 15th, £52 10s., and June 24th, £36. You are required to draw a 3 m'd draft for the amount, in German currency, on the average due date. Rate of exchange=20.45.

5—Explain the meaning and effect of the F.C.S. clause in a Marine Insurance Policy. The clause reads as follows :—"Warranted free from Capture, Seizure, or Detention, the consequences thereof, or of any attempt thereat, and from all consequences of hostilities or warlike operations, whether before or after declaration of war."

6—Give the meaning of the following, used in connection with marine insurance :—(*a*) f.g.a., (*b*) f.p.a., (*c*) A/R., (*d*) W.A., (*e*) G.A.

7—From the following particulars make out an export invoice quoting the price f.o.b. : Date, 5th May, 1910; sellers, Parkinson & Brown, Huddersfield; buyers, Platt & Co., Capetown; shipped through Messrs. Baker & Sons, Liverpool, per S.S. "Sherwood," Ten cases, each containing 22 pcs. 46″ Vicunas. Each piece measures 50 yards, at 8¼d. per yard loco. Making up 9d. per pce. Carriage to Liverpool, 35/-, Freight at 37/6 per str. ton and 10% primage. Marine Ins. on £400 at 5/6 per cent. (A/R) and stamp. Each case measures 3′ 10″ × 2′ 1″ × 4′ 0″.

8—At what price per yard would you quote the goods mentioned in the previous question c. f. & i.?

9—Make out a freight note for goods per S.S. "Kilmany," charges to be paid by Thomas Barrett & Co., Sheffield. The particulars are :—5 Cases, each measuring 3′ 10″ × 4′ 2″ × 2′ 6″, 37/6 per str. ton and 10% primage.

10—Write a letter, dated 3rd May, 1910, from Parkinson & Brown, Huddersfield, to Baker & Sons, Liverpool, advising them that the 10 cases named in question 7 have been forwarded per L. & N.W. Ry., and requesting them to effect shipment, etc.

11—What is a bill of lading? Does it require to be stamped?

12—Why are goods placed in bonded warehouses, and how are such goods dealt with when they are required for export purposes?

13—What would be the cost per yard of a piece of cloth, measuring 30 metres, purchased in France for 80 francs, supposing it cost an additional 10% for forwarding charges, etc.? Rate of exchange 25.20. 1 metre=39.37 inches.

ADVANCED. FIFTH YEAR. 1—Goods to the value of £85 15s. have been sold by Salmon, Parker & Co.,-Leeds, to R. Baptista, of Marseilles. You are required to draw the first of exchange at 30 d/s, in French currency, the rate of exchange being 25.20.

2—Write a letter from the drawers to the drawee of the draft referred to in the previous question, enclosing the draft for acceptance.

3—Describe briefly the use of a telegraph code.

4—What is (*a*) a charter party, (*b*) a time charter?

5—What customs formalities have to be observed by the importer of goods (*a*) which are dutiable, and (*b*) which are duty free?

6—Describe the procedure to be followed where shipments of goods are insured under a "floating" policy.

7—What is meant by (*a*) Documents against acceptance, (*b*) Cash against documents, (*c*) Documents against payment?

8—What is the difference between Council Bills and Telegraphic Transfers?

9—If a person advances money on the security of a life policy, what documents should he insist upon having? What is the "Surrender Value" of a life policy?

10—Make out a franco invoice from the particulars given below:—Five Cases shipped by Perkins & Co., Manchester, per S.S. "Derwent" Liverpool to Madras, by order and for account and risk of Pedley & Marriner, Madras. Each case contains 50 pcs. 32″ 40yds. Coloured Shirtings at 8/6 per pce. Packing 18/- per case; Freight at 32s. 6d. and 10%, each case measuring 3′ 0″ × 3′ 2″ × 1′ 4″; Shipping charges, telegrams and sundries, £1 8s. 6d.; Marine Insurance on £180 at 8s. 6d. per cent. and stamp. Rate of exchange 1s. 3¾d.

11—William Brown owes you the sum of £6 for goods supplied. You have made repeated applications for payment, but without result. Explain how you would proceed in order to recover the amount through the County Court.

12—William Baker & Sons are in business as general drapers in Low Street, Bingley. They decide to take advantage of the fact that the shop next to their own is vacant in order to organise a new department, for boots and shoes. You are required (*a*) to write a circular letter such as they might send to their customers informing them of the new department, and (*b*) to compose an advertisement suitable for insertion in the local newspaper. Show how the advertisement would be displayed in four inches of a single column.

13—Make out an Account Sales for 296 bags of Seed Pearl Tapioca, ex. Str. "Micado," from Java, sold by order and for account of Messrs. Beaumont & Carlin. Gross weight, 434 cwts. 1 qr. 3 lbs. Tare 4 cwts. 1 qr. 18 lbs. Draft, 2 cwts. 2 qrs. 7 lbs. Sold at 13s. 6d. per cwt. ex quay, less 2½% discount. Charges:—Entry, dock and town dues, £3 14s. 2d.; Quay porterage and quay rent, £1 5s. 9d.; Attending ship, sampling, etc., 12s. 6d.; Advertising and catalogues 6s.; Freight as per B/L. £54 12s. 11d.; Fire Insurance, 3s.; Interest on freight and charges, 3s. 11d.; brokerage at ½ per cent. Sold to G. J. Teale & Co., Liverpool, 10th May, 1910.

WEST RIDING COUNTY COUNCIL, 1911.

ELEMENTARY. THIRD YEAR. 1—What is meant by "Metallic Currency" and why are silver and bronze coins described as "token" coins?

2—Describe in detail three kinds of business transacted by banks.

3—Under what circumstances would a banker return a cheque, marking it (*a*) "irregular" or (*b*) "R/D"?

4—James Randolph pays to Messrs. Waterton & Co. a cheque for £36 10, on account of his indebtedness to them. The cheque is returned by Messrs. Waterton's bankers marked "N/S." Write a letter from Messrs. Waterton & Co. to Mr. Randolph informing him that the cheque has been dishonoured, and asking for an explanation.

5—What are (*a*) Debenture bonds, (*b*) Preference Shares, and (*c*) Companies "limited by Guarantee"?

6—Make out an invoice for the following goods sold by Banks & Bartrop, Bradford, to S. Wildman & Sons, Shipley, on 15th March, 1911 :—3 doz. tins condensed milk @ 5/9 per doz.; 6 doz. assorted potted meats @ 9/6 per doz.; 3 doz. bottles Hertford Sauce @ 72/- per gross; 6 doz. packets table salt @ 10½d. per doz.; 2 doz. ½ pt. bottles soup @ 17/- per doz.; 3 doz. tins pineapple @ 6/9 per doz.; 6 doz. packets breakfast oats @ 5/9 per doz.

7—Assuming that, in connection with the transaction to which the invoice in Question 6 refers, only three dozen packets of table salt are being forwarded at the time and that it is intended to forward the remainder two days later, how should Messrs. Banks and Bartrop intimate this to the consignee?

8—Make out a statement to be rendered by Messrs. Banks & Bartrop to S. Wildman & Sons on 1st April. In addition to the goods mentioned in Question 6, other goods have been supplied during the month of March, as follows: March 7th, £2 6s. 4d.; March 23rd, £16 5s. 6d. Deduct 2½% discount.

9—Draw a cheque in settlement of the account referred to in Question 8. The drawees are the Bradford and Leeds Banking Co., and the cheque should be crossed, and dated 7th April.

10—Write a letter from the drawers of the cheque referred to in the previous question, stating that the cheque is enclosed in settlement of the account, and requesting an acknowledgment in due course.

11—Richard Smith owed Carter & Courtenay £56. (*a*) Draw a bill for the amount, (*b*) make out a Prommissory Note. The stamp duty should be shown in each case.

12—Show how the following cheques should be endorsed :—(*a*) Pay self or order; (*b*) Pay R. Clayton & Co., Ltd., or order; (*c*) pay William Peate or order (the payee's name being William Peet); (*d*) Pay wages or bearer.

13—Explain the meaning of the following :—(*a*) "Consols were steady"; (*b*) "In the Home Railway Market the feature was the demand for South Eastern and Chatham Stocks"; (*c*) "To-morrow is Contango Day for mines."

14—Draw the draft referred to in the following letter :—"Leeds, 10th March, 1911. Messrs. Bishop & Sons, Malton. Dear Sirs, We beg to enclose our draft on your good selves at 3 m/d for £136 8s. 6d., which we shall be glad if you will be good enough to accept and return to us in due course. Yours faithfully, W. Fell & Partners.

INTERMEDIATE. FOURTH YEAR. 1—How do you account for the fact that the value of the imports into the United Kingdom exceeds that of the exports?

2—Explain the meaning of the phrase "cash against documents."

3—Phillip Reeder & Sons, of Leeds, forward to Janes & Marriott, London, 10 bales of woollen goods for shipment per s.s. "Kenrickson" to Durban. Make out a suitable form of Advice Note.

4—Explain clearly what is meant by :—(*a*) "Discount rates were firm, and three months' bills were generally quoted 3 per cent."; (*b*) "The principal foreign exchanges were firmer, Paris at 25.29½, and Berlin at 20.46½. The New York cable transfer rate came 4.85. Egyptian exchange was weaker."

5—Make out an Export Invoice for the following goods sold by Richards, Roper & Co., Bradford, to Benjamin Reed & Co., Ottawa. Date: 10th March, 1911. Shipped per s.s. "Dominion" from Manchester; 3 c/s. each containing 30 pieces printed Jeanetes = 3886 yards at 6⅜d. per yard: cases marked "B.R. 1/3 Ottawa." The tin and wood-lined cases are charged 10/- each. Each case measures 3′ 0″ × 1′ 10″ × 3′ 2″ and freight is charged at the rate of 22/6 per str. ton at 10% primage. Marine Insurance is to be effected (on 10% above the invoice value) at 3/9 % and stp.

6—At what price per yard would the goods mentioned in the previous question be sold "c. & f."

7—In view of the Canadian Customs regulations, what formality would it be necessary to observe in connection with the invoice referred to in question 5?

8—Goods have been supplied by Hastings & Herbertson, of Halifax, to Collins, Stanley & Co., Todmorden, as follows :—6th March £18 10s. 0d.; 15th March £22 10s. 0d.; 24th March £86; 6th April, £32. What is the average due date?

9—Draw a 3 m/d. draft in settlement of the account mentioned in the previous question, dating it from the average due date.

10—Explain the following used in connection with Marine Insurance :—(*a*) Declarations; (*b*) F.C. & S.; (*c*) Lost or not lost; (*d*) F.G.A.; (*e*) Salvage.

11—In what respects (if any) does a Consular Invoice differ from any other export invoice?

12—What would be the charge for freight on :—(*a*) 3 cases measuring 2′ 6″ × 3′ 3″ × 2′ 9″; (*b*) 2 bales measuring 3′ 2″ × 2′ 10″ × 3′ 0″; at 27/6 per ton and 10% primage?

13—Lockett & Simsohn, who are manufacturers of bunting, flags, etc., in Leeds, are anxious to develop their trade with India, and for that purpose wish to appoint an agent to act for them in that country. The name of John Alford, of Calcutta, has been suggested to them as that of a suitable person to approach. You are required to write a letter on behalf of Messrs. Lockett & Simsohn, asking whether Mr. Alford would be prepared to consider an offer of the sole agency. If so, will he communicate with them at once, as they anticipate an abnormal demand for their specialities in view of the approaching coronation proceedings.

14—Give the equivalent of £50 sterling in the currency of :—(*a*) France—exchange 25.24; (*b*) Germany—exchange 20.26; (*c*) India—exchange 1s. $4\frac{7}{16}$d.

ADVANCED. FIFTH YEAR. 1—What is a Bill of Sight, and under what circumstances is such a document used?

2—Explain the meaning of :—(*a*) Clearance inwards; (*b*) Ship's manifest; (*c*) Bill of health.

3—Give the meaning of the word "average" as used in connection with Marine Insurance and state the difference between "general" and "particular average."

4—What is the stamp duty on the following :—(*a*) A Bill of lading; (*b*) A Marine Insurance Policy; (*c*) An Inland Bill of Exchange for £80; (*d*) A bill for £110 drawn in France and payable in London?

5—A British firm sends out an agent to Ceylon, with instructions to purchase and ship consignments of tea to the firm in England. Describe the way in which the firm might "open a credit" to enable the agent to pay for the tea thus purchased.

6—Draw up a form of documentary draft, and name the documents which would be attached.

7—What is a Letter of Hypothecation?

8—A merchant in Leeds finds it possible to quote for 10 pieces of fancy worsteds at a price of 4/6 per yard, delivered in Amiens. It is necessary, however, that the quotation should be given in French currency and measurements. You are required to find the price per metre (1 metre—1.0936 yards), the rate of exchange being 25.28.

9—Make out an Account Sales for 150 bags Wax *ex* S.S. "Ocean Queen" from Pernambuco, sold by the undersigned on account of Messrs. Shenston & Co., 75 bags Gross, 129cwts. 1qr. 14lbs.; Tare 2qrs. 4lbs.; Draft 25lbs.; at 105/- per cwt. less discount at $2\frac{1}{2}$%. 25 bags Gross, 44cwts. 2qrs. 3lbs.; Tare 2qrs. 19lbs.; Draft 1qr. 3lbs., at 110/- per cwt. net. 50 bags Gross, 89cwts. 0qrs. 23lbs.; Tare 1cwt. 1qr. 10lbs.; Draft 2qrs. 6lbs.; at 110/- per cwt. less discount $2\frac{1}{2}$%. Damaged wax weighing 4cwts. 0q. 13lbs. net sold at 80/- per cwt., less $2\frac{1}{2}$% discount. The Charges are :—Entry, dock and town dues, £2 6s. 6d.; Marine Insurance on £1490 @ $\frac{6}{8}$% + 10% and stamp = £4 13s. 8d.; Freight on 13 tons 3cwts. 2qrs. 16lbs. net at 30/- per ton of 20cwts.; Quay porterage, 18 6; Cartage and housing, £1 6s. 10d.; Cables, 10/6; Sampling and Materials, £1 6s. 10d.; Attending weighing, 10/-; Rent, 10/5; Re-weighing and delivery, 18/9; Fire Insurance, 13/6; Mending and cleaning damaged portions and supplying bags and twine, 15/10; Bank commission and interest on charges, 3/1; Bank commission on £1041 16s. 11d. @ $\frac{1}{4}$th%, £1 6s. 0d.; Brokerage on £1401 13s. 5d. at $\frac{1}{2}$%. Manchester, 25th March, 1911. Francis McKay & Sons.

10—You propose to start business as a Grocer and Provision Merchant. Draw up an advertisement in the form of a hand bill, suitable for distribution from door to door. Indicate as nearly as possible how you would have it displayed.

11—What do you know about (*a*) Fidelity Guarantee Insurance, and (*b*) Insurance against claims under the Workmen's Compensation or Employers' Liability Acts?

12—You receive notice that one of your creditors has been declared a bankrupt. What steps would you take to secure payment of the amount due by him to you?

13—Distinguish between Revenue and Protective duties.

WEST RIDING COUNTY COUNCIL, 1912.

ELEMENTARY. THIRD YEAR. 1—What is "Paper Currency," and what part does it play in commercial transactions in this country?

2—State how money may be (*a*) Deposited in, and (*b*) Withdrawn from the P.O. Savings Bank.

3—What is a cheque? Do all cheques require to be endorsed?

4—Define the following terms used in connection with cheques, viz. :—(*a*) Payee, (*b*) Drawee, (*c*) Drawer, (*d*) Endorser, (*e*) Endorsee.

5—F. G. Howland & Co., of Sheffield, owe Hamilton & Hanford, of Todmorden, the sum of £90 15s. Draw a B. E. at 3 m/d. for this amount, showing the acceptance and indicating the value of the stamp.

6—Write a letter from the drawers of the draft referred to in the previous question enclosing the bill for acceptance.

7—State briefly the respective liabilities of the following parties to a Bill of Exchange, viz. :—(*a*) the drawer, (*b*) the acceptor, and (*c*) the endorser.

8—Give the meaning of the phrases printed in italics in the following market report :—Markets were all very quiet on Saturday and *the tone was irregular*. In the absence of fresh business dealers directed their attention to the preliminaries of *the carry-over*, which begins to-day in all departments, other than Mines. *Consols succeeded in recovering part of the previous day's fall*, while in the Home Railway Market prices trended downwards except in the case of the Southern passenger stocks. Continental Bourses were reported to be dull, and some selling of Rio Tinto and South African shares on French account caused dulness here. American shares opened *a shade below parity*, and the market soon subsided into extreme inactivity, while Canadian Pacific Railway shares were pressed for sale on German account.

9—What is a Promissory Note? On behalf of Robert Haynes, make out a P/N., dated 2nd May, 1912, for £35 10s., in favour of Hadlow & Hart. Show the stamp duty.

10—From the particulars given below, make out an invoice for goods sold by Hardwick, Harrison & Co., of Huddersfield, to Robert H. Hawes, Halifax Road, Ossett, on 2nd May, 1912 :—3 cwt. Royal Primrose Soap @ 28/- per cwt.; 3 Firkins Soft Soap @ 11/- per firkin; 5 rolls Super House Flannel @ 20/9 per roll; 6 × 1 gallon tins Disinfecting Fluid @ 4/2 per gall.; 6 × 1 gallon tins Pine Oil Fluid @ 2/4 per gall.; 1 drum 10 galls. Gas Engine Lubricant @ 2/2 per gall. Drum charged 5/-. Tins free. Discount at 2½% to be deducted.

11—James Hopwood, of Bingley, forwards to Samuel Hanson, of Idle, a cheque for £18 15s. drawn on the head office of the Bingley & Airedale Bank, Ltd., at Bingley. The remittance does not reach the payee and it is supposed to have been stolen from his letter box. Write a letter to the manager of the Bank, requesting him to stop payment.

12—Give particulars of three railway routes by which goods might be forwarded from Leeds to London. Mention not less than three important towns on each route.

13—From the following particulars make out a statement to be rendered to J Hird & Sons by the Heckmondwike Manufacturing Co., on 1st May, 1912 :—April 4, To Goods £18 12s. 9d.; 10th, By Returns, £2 12s.; 10th, By Allowance, 2s. 6d.; 12th, To Goods £16 1s. 10d.; 16th, To Goods £83 9s. 5d.; 24th, To Goods £63 7s. 8d.; 26th, By Returns £1 5s.; 29th, To Goods £36 8s. 7d. Deduct discount at 3¾%.

INTERMEDIATE. FOURTH YEAR. 1—Explain fully the meaning of the following announcement made by the Huddersfield Woollen Co., Ltd., viz. :—The Company is issuing £210,000 5½% 1st Mortgage Guaranteed Debenture Stock, which is now being offered for Subscription at 95%, payable as follows :—10% on application, 25% on allotment, 30% one month after allotment, 30% two months after allotment. Payment in full may be made under discount at the rate of 3% per annum.

2—What is the difference (if any) between a public and a private limited liability company?

3—Wm. Handford, of Halifax, sells goods to Thomas Hunt, of Nottingham. Before the goods are delivered by the Railway Co., Mr. Handford receives information that the buyers are insolvent. What are his rights in regard to stoppage in transitu?

4—Mr. Philip Harcourt sells goods to Harrod & Co. as follows :—April 2nd, £80 10s.; 15th, £50; 20th, £36 10s.; May 2nd, £162. You are required to state the average due date.

5—Mr. Wm. Hornby, of Sydney, N.S.W., writes you offering his services as selling agent in Australia. He refers you to Messrs. Horrell & Horowitz, of London, for whom he has acted in a similar capacity for five years. Write a letter to the firm in question, asking whether they have found Mr. Hornby a capable salesman, and honourable and straightforward in his dealings, etc.

6—Make out an export invoice for 3 Bales Cotton Goods forwarded by Paul Herkner & Co., per s.s. "Severn" from Liverpool, to Herman & Moir, Lisbon, and thence to M. Bustamante & Co., Benguella. No. 96, 1 Bale, 58 pcs. 24 yds. each, total 1392 yds.; No. 97, 1 Bale, 57 pcs. 24 yds. each, total 1368 yds.; No. 98, 1 Bale, 57 pcs., 2/18½, 2,23½, 53/24, total 1356 yds. African stripes No. B/826 @ 4⅝d. per yard loco.

#	96	97	98
	198	196	196 kos. net.
	206	204	204 ,, gross.

Marked M.B. 96/98

BENGUELLA.

Each bale measures 12′ 5″ and the rate is 52/6 and 10% per ton of 40 c.f. Packing £1 4s.; Carriage to L'pool, &c., 13s. 6d.; Patterns, 3s.; Tickets, 2s. 6d.; Mar. Insce. on £95 @ 5/6%.

7—At what price per yard would the goods named in the previous question be quoted c.i.f.?

8—What is the effect of the following clause when inserted in a policy of Marine Insurance? "Warranted free from particular average unless the vessel or craft be stranded, sunk or burned, each craft or lighter being deemed a separate Insurance."

9—Give the meaning of the following abbreviations used in connection with Marine Insurance:—G.A., O.P., Y.A.R., F.G.A., F.C. & S.

10—Write a letter from Charles Hockett of Bradford to Thos. Hillson & Sons of Goole, advising them that you have forwarded 5 bales of woollen goods for shipment per s.s. "Clarence" to Antwerp, and asking them to effect insurance and take out 3 Bills of Lading. Add any other particulars which you may think necessary.

11—State the equivalent of £168 in the currency of Germany, exchange 20.35; Switzerland, exchange 25.30; Italy, exchange 25.41.

12—Make out a freight account from Robert Hoppen & Sons, Liverpool, to S. A. Holmes, Keighley, for 10 bales shipped per s.s. "Hercules" from Liverpool to Hong Kong. Each bale measures 3′ 2″ × 2′ 6″ × 2′ 8″, and the rate of freight is 27s. 6d. and 10% per ton of 40 c.f. Other charges are:—Marine Insurance 18s. 6d.; B/L. 4s. 6d.; Commission 8s.

13—Messrs. Hood & Horner of Rotherham sell goods of the value of 1826 Rupees to S. Heinlein & Co., of Bombay. You are required to draw the first of exchange at 30 d/s. in settlement, expressing the amount in sterling. The rate of exchange is 1s. $4\frac{1}{32}$d.

14—Assume that you are the manager of the British Boot Co., and that you are opening a branch shop in Laisterdyke. Draft an advertisement suitable for insertion in the local newspaper.

ADVANCED. FIFTH YEAR. 1—Foreign rates of exchange do not fluctuate beyond certain limits. Explain clearly how these limits are determined.

2—Mention some of the services rendered to commercial men by the Board of Trade.

3—Under what circumstances are the following documents used:—(*a*) Delivery Order, (*b*) Prime Entry, (*c*) Customs Specifications?

4—What is a "Charter Party"? What is the meaning of the terms *Lay Days* and *Dead Freight* as used in Charter Parties?

5—From the following particulars make out a c.i.f. invoice:—Three bales Merchandise shipped at Manchester per S.S. "Ariel," Manchester to Bussorah in transit to Bagdad. Shippers: R. Hilmy & Sons. Buyers: Heissner & Co., Dresden. No. 820, 1 Bale, 500 pcs.; No. 821, 1 Bale, 500 pcs.; No. 822, 1 Bale, 500 pcs., total 1500 pcs. 36 in. H. 839. Black Leno Stripes 12 yards. At 1s. 9d. per pce.; Charges:—Freight: Each bale measures 26′ 9″ @ 28/- and 10% per ton of 40 c.f.; Shipping Charges 4s. 6d.; Packing £1 19s.; Patterns 3s.; Insurance £160 at 12/6%.

Marks. H.C. # 820/822.

BAGDAD via BUSSORAH.

6—What is meant by the following terms used in relation to insurance:—(*a*) Insurable Interest, (*b*) Assignment of Policy, (*c*) Covering Note?

7—Messrs. Hobbs & Huckle, Ltd., of Morley, sell goods to W. Oppenheimer & Co., of Hamburg, as follows:—April 10th, £24; 16th, £38; 19th, £72 10s.; 29th, £35. You are (*a*) to ascertain the due date, and (*b*) draw the first of exchange payable at 30 d/s in settlement. The amount to be expressed in German currency, the rate of exchange being 20.35.

8—Write a letter, dated to-day, enclosing for acceptance the draft referred to in the previous question.

9—Why does a merchant in certain cases take out an "Open" policy of marine insurance? What procedure is followed when a merchant makes a shipment of goods insured under such a policy?

10—Explain the meaning of the phrases printed in italics in the following report:—As the number of outstanding *bear contracts* is lessening daily, and the amount of dealers willing to buy at the present artificial prices is extremely limited, the maintenance of so large a *premium* entails material support on the part of those who have *engineered the corner*, and their holding in silver and forward contracts combined has been increased materially. Whether this inflated speculative stock will be easier to dispose of than that held for nearly two years past, or whether the tactics adopted—of *squeezing banks* and others who in the fair course of business have the misfortune to be short of silver against exchange—are likely to enhance the price of silver in the long run is a matter of opinion. China has been taking advantage of the high prices now current to ship silver to Bombay.

11—The following statement is taken from the money article of a daily newspaper. Explain how and why Telegraphic Transfers are sold, and give the value in British currency of Rs. 250,000 at the rate of exchange quoted, viz., 1s. $4\frac{5}{32}$d. The India Council sold Telegraphic Transfers for Rs. 8,00,000 on Calcutta and Rs. 2,50,000 on Bombay at 1s. $4\frac{5}{32}$d. The following were the buying rates on the East yesterday:—

Drawn on.	Demand.
	s. d.
Bombay, Calcutta, Colombo, Madras, Karachi and Delhi .. .. ..

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ROBERT M. CLARKSON, First Prize and Bronze Medal.
G. E. MacFARLANE, Second Place and Bronze Medal.

SOCIETY OF INCORPORATED ACCOUNTANTS AND AUDITORS.

HAROLD KAY, First Prize and Second Place, Intermediate, Dec.
ARTHUR CROSLAND, First Prize and Silver Medal, Final, June.
FREDERICK J. ALBAN, First Place, Intermediate, Dec.
RICHARD G. PYE, Third Place, Final, Dec.
FREDERICK J. ALBAN, First Place and Gold Medal, Final, Dec.
ROBERT P. TIMPANY, Second Place, Final, Dec.
BERTRAM F. BAYLEY, Fourth Place, Intermediate, Dec.
GWILYM E. SAUNDERS, Fifth Place, Intermediate, Dec.
JOHN W. TODD, Ninth Place, Final, May.
ERNEST NICHOL, Fifth Place, Intermediate, May.
GWILYM E. SAUNDERS, First Place and Gold Medal, Final, Dec.
BERTRAM F. BAYLEY, Second Place and Silver Medal, Final, Dec.
HAROLD KAY, Fourth Place, Final, Dec.
CHESHYRE MALPAS, Fourth Place, Intermediate, May.
ROBERT P. WHIPP, Ninth Place, Intermediate, May.
FRANK B. KING, Fourth Place, Intermediate, Nov.
JOSEPH E. STONE, Sixth Place, Intermediate, May.
CHESHYRE MALPAS, First Place and Gold Medal, Final, Nov.
ROBERT P. WHIPP, Fifth Place, Final, Nov.
ALFRED E. SONES, First Place, Intermediate, Nov.
PERCIVAL H. STAFFORD, Second Place, Intermediate, Nov
LEONARD J. RAGGETT, Fifth Place, Intermediate, Nov.
EDWARD M. SHACKLETON, Eighth Place, Intermediate, Nov.
THOMAS HAWORTH, First Place, Intermediate, May.

Society of Incorporated Accountants and Auditors—*continued.*

1914 WILLIAM MARSHALL, Second Place, Intermediate, May.
1914 THOMAS E. FLOOK, First Prize and Third Place, Intermediate, May
1914 JOHN R. JOHNSON, Fifth Place, Intermediate, May.
1914 WILLIAM O. J. URRY, Eighth Place, Intermediate, May.
1914 HAROLD GIBSON, Eleventh Place, Intermediate, May.
1914 GEORGE R. RONSON, Twelfth Place, Intermediate, May.
1914 THOMAS A. WRIGHT, First Prize and Second Place, Final, Nov.
1914 STANLEY SCOTTER, Second Prize and Third Place, Final, Nov.
1914 ERNEST C. HANCOCK, Fifth Place, Final, Nov.
1914 OLIVER CROMWELL, Eighth Place, Final, Nov.
1915 WALTER H. MARSDEN, First Prize, Intermediate, June.
1915 GEORGE W. BACON, Second Place, Intermediate, June.
1915 FRANK A. WALTON, Second Prize, Final, June
1915 JOSEPH E. STONE, Third Place, Final, June.
1915 REGINALD T. HOLDER, Fourth Place, Final, June.
1915 LEONARD H. GRAVES, Seventh Place, Final, June.
1915 A. LEWIS ROSS, Eighth Place, Final, June.
1915 PERCY ALEXANDER, Ninth Place, Final, June.
1915 THOMAS HAWORTH, First Place and Gold Medal, Final, Nov.
1915 PATRICK TAGGART, Second Place, Final, Nov.
1915 ALFRED F. NORMAN, Third Place, Final, Nov
1915 SUBODH K. DAY, Fourth Place, Final, Nov.
1915 LEONARD J. RAGGETT, Fifth Place, Final, Nov.
1915 EDWIN C. RIDING, Sixth Place, Final, Nov.
1915 WILLIAM L. KARAMELLI, Eighth Place, Final, Nov.
1915 JOHN LINAHAN, First Prize, Intermediate, Nov.
1915 WILSON MILBOURNE, Second Place, Intermediate, Nov.
1915 ARTHUR E. MIDDLETON, Third Place, Intermediate, Nov
1915 CYRIL H. GOLDTHORPE, Fourth Place, Intermediate, Nov.
1916 CHARLES W. BRADDY, First Prize, Final, May.
1916 CLARENCE SNOWDEN, Second Place, Final, May.
1916 JOHN R. JOHNSON, Third Place, Final, May.
1916 FREDERICK A. CAWSON, Second Place, Intermediate, May.
1916 WILLIAM J. CHING, Third Place, Intermediate, May.
1916 CHARLES W. BRADDY, First Prize and Gold Medal, Final, May.
1916 CLARENCE SNOWDEN, Second Prize and Silver Medal, Final, May
1916 ARTHUR E. MIDDLETON, First Prize, Final, November.
1916 JOSEPH A. SPEED, Third Place, Final, November.
1916 JAMES C. PAGE, First Place, Inter., November.
1916 ARTHUR J. BENJAFIELD, Third Place, Inter., November.
1916 ARTHUR HALLETT, Fourth Place, Inter., November.
1916 ROSS HINDLE, Fifth Place, Inter., November.
1917 M. L. TARMASTER, First Prize, Final, May.
1917 ALFRED B. DAWSON, Second Place, Final, May.
1917 JOHN LINAHAN, First Prize, Final, November.
1917 WADE HUSTWICK, Second Place, Final, November.
1917 THOMAS HANNIBAL, Third Place, Final, November.
1917 HAROLD N. WRIGHT, First Prize, Inter., November.
1918 ARTHUR J. BENJAFIELD, First Prize, Final, May.
1918 WILLIAM J. CHING, First Prize, Final, November.
1918 ROSS HINDLE, Second Place, Final, November.
1918 HAROLD N. WRIGHT, Third Place, Final, November.

CHARTERED INSTITUTE OF SECRETARIES.

1909 F. J. ALBAN, First Place, Intermediate, June.
1911 A. A. YEOMANSON, First Place, Intermediate, Dec.
1912 JOHN CHEAR, First Place, Intermediate, June.
1912 HUBERT GRIME, First Place, Final, Dec.
1912 JAMES SMITH, First Place, Intermediate, Dec.
1912 F. F. SHARLES, Third Place, Intermediate, Dec.
1913 R. G. WILES, First Place, Intermediate, June.
1913 H. OATES, Third Place, Intermediate, Dec.
1914 JOHN CHEAR, First Place, Final, June.
1914 J. A. HARTLEY, First Place, Intermediate, June.
1914 J. J. COON, Second Place, Intermediate, June.
1914 A. STABELL, Third Place, Intermediate, June.
1914 S. G. WILLIS, Fourth Place, Intermediate, June.
1914 F. C. HOCKRIDGE, Fifth Place, Intermediate, June.
1915 F. C THOROGOOD, First Place, December.

INCORPORATED SECRETARIES' ASSOCIATION.

1913 HERBERT H. NEGUS, First Place, Intermediate, Dec.
1913 THOMAS WALKER, Second Place.
1914 HERBERT H. NEGUS, First Place, Final, June.
1914 J. BASS, First Place, Intermediate, June.
1914 A. E. MOUNCHER, Second Place, Intermediate, June.
1914 A. B. REAY, Third Place, Intermediate, June.
1914 ARTHUR JONES (Swansea), Second Place, Intermediate, Dec.
1915 H. DACRE, First Place, Intermediate, June.
1915 T. TYLER, Second Place, Intermediate, June.
1915 W. COLDWELL, Third Place, Intermediate, June.
1915 A. E. MOUNCHER, First Place, Final, June.
1915 R. J. COLE, Third Place, Final, June.

Miscellaneous Medallists and Prize Winners.

1906 GEORGE MORTON, First Prize and Silver Medal, Yorkshire Union of I.
1906 THOMAS HAWORTH, Second Place, L. & C. Union.
1906 FREDERICK GRIFFITH, First Place, L. & C. Union.
1907 A. E. JONES, Silver Medal of the Liverpool Incorporated Accountants.
1908 P. KELLY, First in the U.K. at the Taxes Exam. of the Civil Service.
1908 N. S. FISHER, First Prize and Silver Medal for Commercial Correspondence, awarded by the National Union of Teachers.
1908 N. S. FISHER, Second Prize and Bronze Medal for Theory and Practice of Commerce, awarded by the National Union of Teachers.
1908 C. H. MERREY, First Prize, Advanced Book-keeping of the Midland C.U.
1908 MARGARITE BENNELL, First Place, College of Preceptors.
1908 G. G. DUDDLES, First Place at the Examination of Grocers, and Winner of Silver Cup and Purse of £20.
1909 ARCHILOUS TEMLETT, Second Place, College of Preceptors.
1909 FREDERICK J. ALBAN, First Place, Final Examination of Institute of Municipal Treasurers and Accountants.
1909 W. A. OAKES, First Prize at Inter. Exam. of Chartered Accountants.
1909 WILLIAM CUNLIFFE, First Place, Institute of Bankers.
1907-8-9 HUBERT GRIME, Quadruple Prizeman, Lancashire and C. Union.
1910 G. G. DUDDLES, First Place at the Exam. of the Institute of Grocers, Winner of "Cadbury" Prize of £100, and the "Williams" Prize.
1911 J. H. ROGERS, Silver Medal for Business Methods, L. and C. Union.
1911 E. ASHLEY OAKES, First Prize, Final, Chartered Accountants.
1912 JOSEPH E. STONE, First Place at the Exam. of the National Association of Local Government Officers.
1913 ARTHUR JONES (Swansea), First Place at the Examination of Grocers.
1913 W. J. HODGKISS, First Place, Lancashire and Cheshire Union.
1913 P. S. RANDALL, First Place, Union of Educational Institutions.
1913 H. EVERETT, the only Candidate who took full marks out of 885 for Book-keeping, Second Division Clerks, Civil Service, October.
1913 HAROLD GIBSON, First Place, L. & C. Union.
1913 WILLIAM O. J. URRY, First Place, Central Ass. of Accountants.
1914 A. G. SYMES, First Prize and Silver Medal, Auctioneers' Institute.
1914 A. S. PERUMAL, First Prize of $100, Government Examination of the Federated Malay States.
1914 RICHARD G. PYE, Second Place, Final Exam. of Institute of Municipal Treasurers and Accountants'.
1914 WILFRED MORRIS, Bronze Medal, Business Training, R.S.A.
1915 ARTHUR E. LANGTON, First Prize of £100 for Commercial Knowledge.
1915 A. G. SYMES, First Prize of £15 and Silver Medal, Surveyors' Institution.
1915 ARTHUR JONES (Swansea), Silver Medal Standard, R.S.A., Theory and Practice of Commerce.
1915 GEORGE E. MacFARLANE, First Prize, London Ass. of Accts., June.
1915 DAVID R. EDWARD, Glasgow Chamber of Commerce, Cash Prize of £5.
1915 R. JONES, First Place, L.A.A., Dec.
1916 S. F. FIELD, First Prize, Union of Educational Institutions.
1916 E. G. ABEL, Second Prize, Union of Educational Institutions.
1916 JOHN WHOOLEY, First Prize, Dept. of Agriculture, Ireland.
1916 R. JAYARAM, Gold Medal, L.C.C., in Methods and Machinery of Business.
1917 G. E. MacFARLANE, First Prize and Silver Medal, N.U.T., Theory and Practice of Commerce.
1917 JOSEPH LYNCH, Second Prize and Bronze Medal, N.U.T., Theory and Practice of Commerce.

PITMAN'S JOURNAL,

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	Per lb.	Min.	40 lbs. or 2 cu. ft.	60 lbs. or 3 cu. ft.	80 lbs. or 4 cu. ft.	100 lb. or 5 cu. ft	Each addnl. 20 lbs. or 1 cu. ft.		Per lb.	Min.	40 lbs. or 2 cu.ft.	60 lbs. or 3 cu. ft.	80 lbs. or 4 cu. ft.	100 lb. or 5 cu. ft.	Each addnl. 20 lbs. or 1 cu. ft.
Adelaide ..	3d.	1/-	7/6	9/6	11/6	14/-	2/9	Kurrachee ..	3d.	1/-	6/-	6/6	7/6	8/6	1/9
Albany ..	3d.	1/-	10/6	12/6	15/-	17/-	3/-	Launceston ..	4d.	2/-	8/-	10/-	12/6	15/-	2/9
Alexandria ..	3d.	1/6	6/6	8/6	10/6	12/6	1/6	Lyttleton ..	3d.	1/-	8/-	10/6	14/-	17/-	3/-
Algoa Bay ..	3d.	1/-	6/6	9/-	12/-	15/-	3/-	Madras ..	3d.	1/-	6/-	6/6	7/6	8/6	1/9
Auckland ..	3d.	1/-	8/-	10/6	14/-	17/-	3/-	Malta ..	2d.	1/-	5/6	6/6	7/-	7/6	1/6
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Cairo ..	4d.	2/-	12/6	15/-	17/6	21/-	2/-	Perth ..	6d.	2/6	10/6	12/6	15/-	17/-	3/-
Calcutta ..	3d.	1/-	6/-	6/6	7/6	8/6	1/9	Natal Port ..	3d.	1/-	6/6	9/-	12/-	15/-	4/6
Cape Town ..	3d.	1/-	6/6	9/-	12/-	15/-	3/-	Rangoon ..	4d.	1/-	6/6	8/-	9/-	10/-	2/-
Colombo ..	3d.	1/-	6/-	6/6	7/6	8/6	1/9	Rockhampton	6d.	2/6	8/-	10/-	12/6	15/-	3/-
Dunedin ..	3d.	1/-	8/-	10/6	14/-	17/-	3/-	Shanghai ..	3d.	1/-	7/-	8/-	9/-	10/-	2/-
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